THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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TOWN RETAILERS ALREADY NOTING BETTER DEMAND

Recent Improvement in Growth is Reacting on Rural Buying

U.S. OUTLOOK BETTER

Trade Conditions Are Better And Enquiries For Staple Products Begin to Increase

If it is impossible yet to record any radical change for the better in the general business situation, it cannot be disputed that a generally brighter feeling has been induced by the gratifying and rather unexpected improvement in the crops which a fortnight of excellent growing weather in the West has made possible. In Ontario and Quebec, too, a very satisfactory harvest has had its inevitable effect upon the outlook. In Europe, favorable progress is being made in setting up the machinery for the carrying out of the Dawes plan, following the final acceptance of the agreement by the powers.

Late in July the condition of the Western crops was such as to cast gloom over the outlook. In Alberta, the indicated yield was 10 bushels per acre. So much progress has been made in the intervening period that the Manitoba Free Press last week estimated that Alberta's average would be 18 bushels. The situation in the other prairie provinces has been very similar. Although this situation has depressed the grain markets, an indicated reduction in the Indian wheat yield, prospective shortages in Russia, and unfavorable weather conditions in Argentina confirm previous forecasts that the world wheat yield would be somewhat short of consumption requirements.

The Eastern Harvest

In Eastern Canada the crop has been very satisfactory, and retail business is reported to be improving accordingly. The fall wheat yield will probably be the largest for some years, and coarse grains have been almost equally favorable. Fodder crops have been somewhat late but the recent period of hot, dry weather has had remarkable results. Although New Brunswick and Prince Edward Island have suffered from drought, the potato crop of the former is expected to be the largest on record. This would mean an income for that province of something in excess of $10,000,000, at current prices, in comparison with a revenue of $6,023,000 last year. With farm prices in general continuing firm as they have for some time, the rural business outlook in Eastern Canada is extremely favorable.

In attempting to estimate the probable revenue from the various branches of agriculture during the current year, it is yet impossible to get any accurate estimate either of yield or of probable prices. Nevertheless, a comparison of current conditions and the estimated yield with those of recent years suggests a total revenue very close to that of 1923, a situation which would have been impossible had it not been for the recent general price rises. The agricultural revenue of the last two years was as follows:

	1922	1923
Ontario	$ 394,548,000	$ 400,511,000
Sask.	331,682,000	291,439,000
Quebec	266,357,000	232,580,000
Alberta	125,863,000	200,950,000
Manitoba ...	119,261,000	84,081,000
Nova Scotia.	50,019,000	40,613,000
B. Columbia.	40,151,000	43,376,000
New B.	44,568,000	32,653,000
P. E. I.	16,840,000	15,929,000
Total	$1,389,289,000	$1,342,132,000

While no radical change has taken

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Canadian Conditions

Car Loadings—Week ending Aug. 23—

1924	1923	
50,894	53,972—	5.7%

—Year to date—

1924	1923	
1,801,033	1,694,796+	6.2%

Building—Seven Months—

1924	1923	
$60,127,695	70,812,822—	15.0%

Bank Clearings—Seven Months—

1924	1923	
$8,837,193,771	$8,657,375,224+	2.0%

Grain Movement—Year ending Aug. 1—

1923	1922 crop	
472,705,804	315,948,970+	49.6%

Savings Deposits—Chart. Banks June—

1924	1923	
$1,189,018,091	$1,214,245,872—	2.1%

Current Loans—By Banks, June

1924	1923	
$986,366,366	$1,065,854,729—	7.5%

Net Dominion Debt—July 31—

1924	1923	
$2,391,451,680	$2,403,235,609—	0.4%

Railway Earnings—Seven Months—

	1924	1923	
C.P.R.	$ 96,152,000	$ 93,069,000+	3.3%
C.N.R.	134,849,228	136,732,873—	0.8%

Balance of Trade—12 Months, July—

	1924	1923	
Exp.	$1,079,048,299	$1,008,350,519+	7.0%
Imp.	850,502,013	880,490,108—	3.4%
Bal.	228,546,286	127,474,511+	79.3%

Lower Harvest Cost and Prices are Higher

From Our Own Correspondent.

CALGARY.—The crop will be harvested this year at much less cost than was the case last year. The average wage now being paid is $3 per day; last year it was double that amount. Again not half the quantity of binder twine will be required as was the case in 1923 when the straw was phenomenally long. It is conservatively predicted that with the increased price for wheat and the decrease in the cost of harvesting the crop, that farmers will receive from 25 to 30 cents per bushel more than they did last year.

One of the most satisfactory features at the present time is the abundance of feed throughout the province. This will mean a huge sum so far as stockmen are concerned.

LARGE SHIPMENTS AMERICAN GRAINS VIA ST. LAWRENCE

Traffic Through Port of Montreal Assuming Good Proportions

From Our Own Correspondent.

MONTREAL.—That freight rates for export shipments of American grain via the Canadian Great Lakes route through this port are considerably cheaper than those for either the all-water or rail-and-water Gulf routes is apparent through the comparatively heavy tonnage to pass through here this season to date. The Harbor Commissioners informed THE FINANCIAL POST this week that up to the end of August no less than 8,861,000 bushels of American grain had gone through the Port of Montreal, the bulk of it coming from the mid-western states of North and South Dakota, Minnesota, and some from as far away as Kansas.

When Canadian rates can cut those for grain going out of as far south a state as Kansas, the situation looks fairly bright for American traffic along the Canadian route, for the rail haul from Kansas to Duluth is considerable as against that from Kansas to the Gulf ports. Things look still brighter when the rail-and-water rates in the Dominion can beat those of the all-water route from Kansas via the Mississippi River and around the Gulf. That the Canadian route is the cheapest is proven by the extensive shipping American grain men have done through this port. It is only natural for them to ship via the cheapest way and that is just what they have done.

While it is regrettable that the United States is more than repaid by the amount of Canadian grain that is shipped through American ports, nevertheless it is encouraging to note that the extent of American shipping via the St. Lawrence River is increasing year by year. If the port of Vancouver is enlarged to accommodate the greater shipments which are likely to be made via the western port, this would add another Canadian outlet for American grain. With the opening of the new elevator erected at Tarte Pier, in Montreal Harbor, adding 2,000,000 bushels to the local grain storage capacity, the eastern route is in an even better position to handle greater shipments of American grain than before. And the accommodation here can be increased another 14,000,000 bushels by adding units to the new elevator.

Save a Cent a Bushel

On account of the many and varied aspects of the two routes in question—the St. Lawrence River versus the Gulf—it is difficult to ascertain the exact total rates and thus quote a definite monetary difference between the two. Local men, after studying the situation closely, claim it would be safe to state that Canadian freight rates for American grain are at least one cent a bushel lower than the American rates. And one cent saved on every bushel looks as good to the grain exporter as a rest would to the

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MOVING FARMERS TO BETTER LANDS

Federal and Provincial Governments to Assist in Trek From Dry Areas

From Our Own Correspondent.

CALGARY.—An arrangement has been completed between the Dominion and provincial governments to assist farmers in drought-stricken areas in the southern part of the province to be moved free of cost to more suitable localities along the Calgary-Edmonton line of the Canadian Pacific, and east of Edmonton on the Canadian National. The movement will be largely from the Goose Lake line of the Canadian National, the Empress line of the Canadian Pacific, and the country east of Bassano, with individual cases from a number of other districts in the dry belt.

The provincial government has the co-operation of the land settlement board in the way of finding suitable locations for farmers desirous of such assistance.

SHORT CORN CROP IN UNITED STATES HELP TO CANADA

Means Fewer Hogs and Higher Prices for Bacon

MAY EAT MORE BREAD

In Either Case the Canadian Farmer Should Get the Benefit as a Producer of Foodstuffs

From Our Own Correspondent.

WINNIPEG.—Most of the calculations which are made as to prospects of continuing high prices, or even higher prices, for wheat and other foods seem to be based on the reported wheat supplies of the world as now harvested or in prospect. A factor of tremendous importance to this country is often ignored, that is the deficit in the corn crop of the United States as compared with last year. Using rough figures, the United States is expected to harvest less corn by 500,000,000 bushels than in 1922 and in 1923. In each of those years the United States had approximately three billion bushels of corn. This year the harvest is estimated at not more than two and a half billion bushels of corn, and if anticipated frost damage to late crops occurs the value of the crop for feeding purpose will be reduced by more than the reduction in number of bushels would indicate. That difference in corn production means a direct reduction in the exportable surplus of food from the United States. The corn is not marketed as grain, but in the form of hogs. Translated into terms of pork, that reduction in the corn crop of the United States means a reduction of at least four billion pounds of pork.

Pork from the United States has been very cheap in Europe for the past year. Because of tremendous and unprecedented production of hogs due to the great corn crops of the past two years the United States sent abroad, principally to Europe, during the past year a thousand million pounds of pork. At the same time owing to industrial prosperity and low meat prices nearly two thousand million pounds of pork was forced into additional consumption in the United States, as part of the total consumption of eighteen billion pounds of meat in that country. The prospective reduction, now in sight, of pork production is more than the total of last year's exports of pork, and the additional consumption of pork last year in the United States.

Better Outlook for Canada

Doubtless Europe will continue to get some pork from the United States. Doubtless there will be certain economies in the use of food within the United States, due to higher prices, and various substitutions which shifts in food prices always call into play. But taking everything into consideration, the total exports of food from the United States are bound to be greatly lessened by the reduction in the corn crop.

We are frequently told that higher prices for wheat lead to substitution of coarser grains in breadstuffs, and increasing use of vegetables. But it is equally true that the higher price of pork in prospect is likely to drive the European consumer from eating pork from the United States to a greater use of bread.

Lessened Competition

There is another angle to the question of pork exports from the United States. It means lessened competition from the United States in the bacon markets of Great Britain, and improving prospects for Canadian bacon. In most of what is published about the British bacon market, Denmark is held up as the principal competitor of Canada, Danish bacon ranks first on the British market, except for some negligible quantities of Irish bacon. Canadian bacon comes second, selling for from five to ten shillings a hundredweight less than Danish bacon. Bacon from the United States ranks much lower, because of its fatness. Our attention is fixed on the Danish competition, because we want to compete on even terms in the restricted market for high-priced bacon. But the United States sells more bacon in Great Britain than Denmark and Canada combined. The competition of the great quantities of bacon from the United States keeps down our price more than does the smaller quantity of high-priced Danish bacon. Remove that pressure from the United States and our prospects in the British market look much better.

Looked at from the broadest angle, the maintenance of higher food prices on world markets is one of the principal things to which the West looks for a restoration of its prosperity. One of the biggest factors in the situation is the lessened production of corn in the United States.

AMERICANS TAKE HOMESTEADS

EDMONTON.—There continues to be a brisk demand for homesteads in Northern Alberta. During the past week 20 were filed at the Edmonton office. Newcomers are from many lands, but Americans predominate.

BELL TELEPHONE FINANCING WILL LIKELY BE BONDS

Attractive Interest Rates Make Stock Issue Unlikely

63,000 INCREASE

Year's New Installations Expected to be the Largest in the Company's History

From Our Own Correspondent.

MONTREAL.—As April 1, 1925, approaches, and the Bell Telephone maturities of $16,750,000 of bonds draw closer, it becomes more apparent that the logical way to refund the issues is to sell more bonds rather than to offer additional stock to shareholders at less than market prices. The plentitude of investment funds both in Canada and New York has been responsible for many tempting offers to the Bell Telephone management to supply money at favorable rates. It is certain that bonds can be sold at fairly low rates of interest, and the directors are almost certain to authorize bonds rather than new shares to meet the heavy maturities.

Quite likely an issue considerably larger than $16,750,000 will be made. The company is continually in need of new capital to finance extensions that are proceeding with amazing regularity, and, as the properties valued at over $85,000,000 will have no bonds whatever against them when the April 1 issues mature, it is likely that as much additional money will be borrowed above the $16,750,000 as will be needed to look after capital needs to the end of 1925 at least. The issue will likely be split between Canada and the United States.

This makes it exceedingly unlikely that the shareholders will get any new "rights" of stock subscription for many months yet. While new financing is usually a bearish factor in connection with stocks, the Bell Telephone's financing is hardly likely to have an unfavorable influence on the stock. The funds required will go into revenue-earning equipment, or will clear off mortgages incurred for the same purpose, and the money will be borrowed at a favorable rate of interest. The new financing will indicate expansion of the company and should be regarded thus by shareholders.

Bell Telephone sold over 136 this week, the highest point the shares have reached since 1917. The advance in the past year has been steady and has put the stock in a class where the yield is less than 6 per cent. The advance is a recognition of the sterling investment qualities of the security.

Has Caught Up With Orders

Bell is spending about $10,000 000 to $12,000,000 this year on extensions and on new buildings and equipment. It is anticipated that about 60,000 new telephones will be installed, the largest increase in the company's history. Last year, around 53,000 new services were added to the system.

Another interesting point is that for the first time in several years the company has caught up with the demands for new services. It has been impossible to supply telephones as rapidly as they have been ordered since the end of the war, but now only one small territory in Montreal is behind in telephones, and it is anticipated that orders all over the system can now be promptly attended to.

They Dressed Well But Did Not Succeed

From Our Own Correspondent.

MONTREAL.—With "Dress Well and Succeed" as their slogan, the clothing manufacturers of Canada are launching a campaign to sell Canadian men on the business value of being well dressed. But the campaign did not get under way in time to be a political factor in the St. Antoine by-election.

During the St. Antoine campaign, a Liberal orator attacked the Conservative candidate, William Birks, and the Conservative leader, Rt. Hon. Arthur Meighen, and commented critically on their clothes. He happened to be addressing a workingmen's audience and made satirical references to the fine clothes worn by the immaculate Mr. Meighen, and the well-dressed Mr. Birks. The Liberal candidate, he said, carried no such swank, and was just plain "Billy" Hushion, the man of the people, who didn't mind meeting an overall face to face, so to speak.

It was a great opportunity for the proponents of "Dress Well and Succeed" to find some excellent material for their campaign, but, unfortunately, other considerations entered into the election, and though Messrs. Meighen and Birks dressed well, they did not succeed.

The reason may have been that Mr. Hushion had the best popular orators behind him. His campaign motto must have been "Address Well and Succeed."

Government to Break Beck's Highway Control

There are indications that the Ontario government does not propose to give Sir Adam Beck and the Hydro Commission a monopoly in the field of local transportation.

Despite the opposition of Sir Adam to government sanction and regulation of motor bus lines on routes competitive with Hydro-owned radials, Hon. G. S. Henry, provincial minister of highways, has decided that those, at least, on Yonge Street will be regulated and put under tariff, and in all likelihood similar action will follow with the many motor buses utilizing the Toronto-Hamilton highway.

"We cannot turn the traffic away," states Mr. Henry. "People have been using these buses, and they demand the service."

TRADE GETTERS ARE NEEDED IN FOREIGN FIELDS

Hon. T. A. Low Will Head Mission to the West Indies

From Our Own Correspondent.

OTTAWA.—Efforts for the development of increased trade with the West Indies are making progress, and it is probable that a Canadian delegation, headed by Hon. T. A. Low, minister of trade and commerce, will go down there in about a month's time. It will not be a large party, but one that knows its business. The indications also are that much of the characteristic red tape will be discarded.

It is becoming increasingly evident that something more than the negotiating of preferential trade treaties, such as we have had in the past, will have to be attempted if Canada is to increase her sales very much to these islands. High hopes were raised that sales will go up considerably following the negotiating of the last treaty, but while there has been some increase, it has been much less than had been expected. During the fiscal year ending July, 1922, Canada's exports to the British West Indies were valued at $9,549,000 whereas last year they were $10,848,000, the increase during the last 12 months was only $370,000. As far as Bermuda is concerned we sold it $50,000 less than we did two years ago.

The fact is that owing to the advantage resulting from proximity to this market the United States has secured a strong hold on such trade, and in order to pry some of it loose both sides to any treaty that may be concluded will have to make substantial concessions. Those well acquainted with the situation in the West Indies do not think that the desired amount of trade can be secured through the mere affording of better steamship services. They say that there must first be a diverting of the currents of trade, and that once this is done the steamship services will follow. It is also pointed out that enough trade between the United States and the West Indies is well served in this respect, the former pays no subsidies.

Those who have been over the ground are strongly of the opinion that in the matter of trade representations in the West Indies there must be a radical awakening, the opinion being expressed that some of those who have been acting consider themselves too much as diplomats rather than business getters.

ROBB WILL TRY FOR AUSTRALIAN TREATY

But Success Doubtful in View of Commonwealth's Favoritism for Protection

From Our Own Correspondent.

OTTAWA.—Negotiations with Australia with a view to concluding a new trade treaty will be one of the first matters taken up by Hon. J. A. Robb as soon as he finds his feet following his trip to Great Britain. Owing to his journey to Australia a few years ago, and the fact that he has since kept in close touch with that situation, Mr. Robb is the one through whom business will be done, and it will hardly be his fault if a worth-while treaty is not negotiated.

Information gleaned from those in close touch with Australia is not of such a nature as would induce one to entertain high hopes in this respect. What is desired is something more than a mere treaty, but one that will have the effect of increasing considerably exports to the Commonwealth. The trouble is that the Commonwealth has gone in for a much higher protective tariff than Canada has, and the soundness of protection being admitted by practically all the political parties in the Commonwealth, they have to be shown that a decided benefit will result to them through the granting of preferential duties to Canada. On agricultural implements alone Australia now has a tariff of nearly 60 per cent., which is a fairly good idea of how even her farmers view questions of fiscal policy.

WANT CANADIAN PRODUCTS DIRECT NOT BY NEW YORK

Southern Markets Ripe For Development Right Now

MATTER OF SERVICE

Business Leaders From Dominican Republic and Venezuela Tell of Trade Opportunities in the South

That there is now a great opportunity for Canada to establish herself in the markets of the British West Indies, Cuba, Haiti, Santo Domingo, and also the South American republics of Colombia, Venezuela and Panama—all within one trading zone—is being brought home by the visit to this country of such business leaders of those countries as Mr. Salas Biaz, of Puerto Plata, Dominican Republic, and General Alejandro H. Ducharne, Caracas, Venezuela. With E. C. Austin, who for years has been working to develop Canadian trade in South America, the visitors from the south are urging upon the Canadian government the importance of these markets to Canada, and are making the practical suggestion that the itinerary of the projected trade mission to be sent to the British West Indies be extended to take in the other countries mentioned.

"Our people want Canadian products, but they do not want to get Canadian paper, Canadian flour, Canadian fish and other Canadian products through New York, and that is how they are coming now," explained Mr. Biaz and Gen. Ducharne, in discussing the situation with THE FINANCIAL POST. They emphasize that Canadian goods would be preferred to products from the United States, but the people do not know about Canada. There is a strong pro-British sentiment in the Dominican Republic, according to Mr. Biaz who himself has a strong feeling for Canada which has grown to the extent that he has brought his two daughters to Havergal College, in Toronto, for their education. On the other hand, Gen. Ducharne, who has recently secured a 250,000 acre concession for development in Venezuela, knew practically nothing about Canada when he came to New York, and it was only through a meeting with Mr. Austin there that he became interested in this country. The objection of the Latin American peoples to being restricted to the United States in their trading relations is indicated in the following editorial which appeared in Spanish in "El Tiempo," published at Bogota, Colombia.

> God grant that at the conference at Santiago the Latin American people may define their position with courage and firmness, and may not permit that the United States should raise a barrier between them and the rest of the world, which would not be a trench, but an ominous prison wall. The Monroe doctrine as a defense of these peoples against the victorious powers of the old world was good and opportune; as a right (title) of the United States to dominate this hemisphere alone it is unacceptable. And if we must say all we think, we must declare that the cooperation of Latin America with the

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The Business Outlook

IMPROVEMENT IN STOCK INDUSTRY BENEFITS FARMER

Livestock Prices Are Greater and Prices Gradually Are Rising

While the interest of the country is more or less centred on the progress of the Western crops, marked improvement in certain branches of the livestock industry foretells a further recovery in the purchasing power of the farmers of Canada, as a result of increased sales in nearly all grades, and also of a price rise in certain branches.

Chart 1 shows the fluctuations in the prices of hogs (heavies) and steers (1,200 pounds up) since the beginning of 1923. Hog prices, after a considerable period of stability, have again turned upward, and are showing a substantial improvement. Cattle prices have been on a relatively high level until recently, when a weakening tendency began.

Chart 2 shows the revenue realized from livestock in the different provinces last year. The total for the Dominion was $82,402,000, and if the improvement of the period since January continues for the balance of the year, a larger aggregate will be realized during 1924. It will be noted that the income from livestock in the provinces of Ontario and Quebec is greater than from the other provinces combined.

Chart 3 shows the trend of livestock sales in relation to those of last year, for the first seven months. A considerable increase has taken place in all branches with the exception of sheep, sales of which have dropped off somewhat. The figures are given in the accompanying table. Taking Charts 1 and 3 together, it will be seen that a measurable increase in sales, at fairly strong prices in all cases, has yielded a larger revenue than that of 1923, which was considered to be an improvement over previous years. This is an important factor in the Canadian agricultural situation, especially since there is an abundance of green feed and other stock feed this year. The gradual revival of the livestock markets abroad is seen in the large expansion of sales of cattle to the United Kingdom. Total receipts from this source during the twelve months ending with July amounted to $6,749,027, as against $4,838,250 for the previous year.

The leading figures of the livestock industry comprising prices, revenue, and volume of sales, follow:

Average monthly price per hundredweight at Toronto:

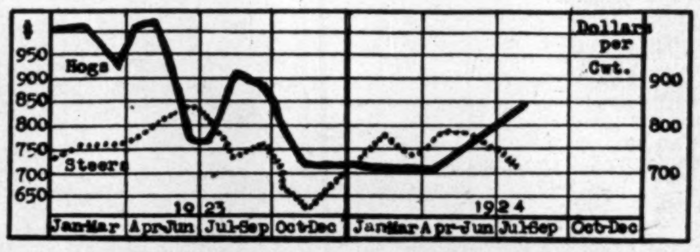
	Steers (1,200 lbs. up)	Hogs (heavies)		Steers	Hogs
1923, Jan.	$7.47	$10.03	1924	$7.40	$7.32
	7.55	10.06		7.62	7.07
	7.55	9.12		7.47	7.19
	7.81	10.12		7.86	7.14
	8.17	10.19		7.62	7.95
	8.43	7.70		7.21	8.35
	7.97	7.55			
	7.27	9.04			
	7.57	8.95			
	6.54	7.65			
	6.12	7.16			
	6.72	7.02			

Livestock Revenue, 1923 By Provinces

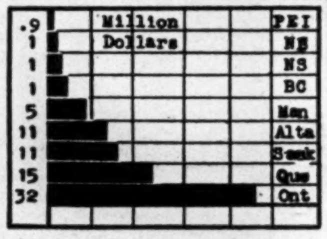
Ontario	$32,345,000
Quebec	15,339,000
Saskatchewan	11,912,000
Alberta	11,584,000
Manitoba	5,082,000
British Columbia	1,845,000
Nova Scotia	1,774,000
New Brunswick	1,608,000
Prince Edward Island	913,000
Total	$82,402,000

Sales Jan.-July, 1923 and 1924

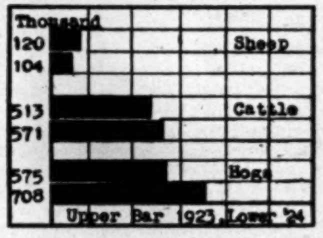
	1923	1924
Cattle	374,325	402,213
Calves	139,431	168,862
Hogs	575,559	708,182
Sheep	120,050	104,512



MONTHLY AVERAGE PRICE OF HOGS(Heavies)and STEERS,IN TORONTO



AGRICULTURAL REVENUE(Livestock)



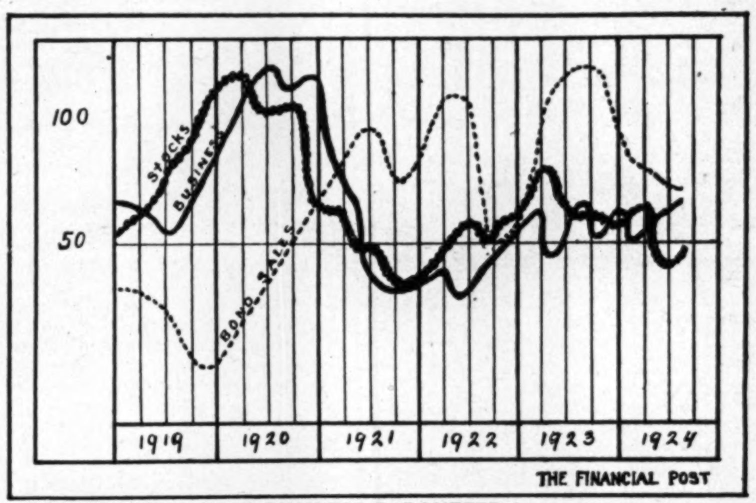
LIVESTOCK SALES(Jan-Aug)1924

The Financial Post

Gradual Improvement in Prospect

The significant feature of the Business Barometer for the beginning of September is the fact that while the business line, which is based on the volume of construction and wholesale prices, has remained almost stationary, the stock market line has turned very definitely upward. The bond line, which is made up of bond sales and bank loans, continues approximately where it was last month instead of continuing its previous downward movement. The action of the three lines combined is interpreted as indicating that a fairly substantial business improvement is in prospect, but nothing of the nature of a boom. Had the business line dropped to duplicate the low position of the stock market during the second quarter of the year, and maintained its present position, the interpretation would be a sudden and decided business improvement. This would have been accompanied also by a decline in bond sales. Such has not been the case, however, and the most that the Barometer shows is a gradual, but fairly substantial, upward movement in general business conditions.

NEXT WEEK—MARITIME PROVINCES



THE FINANCIAL POST BUSINESS BAROMETER is an attempt to interpret and register the state of business by charting together the three main phases of commercial and financial activity, viz., the bond market, the stock market, and the general wholesale and retail business situation. The bond sales line includes bank loans and is adjusted to get an accurate estimate of the employment of money at the time. The business line is made up of new construction, and wholesale prices, and the stock line shows the fluctuations of a selected group of representative Canadian stocks.

Calgary is Fighting the Vancouver Increase

From Our Own Correspondent.

CALGARY.—A request has been made by the Alberta government that the Ottawa authorities take steps to hold off the increase in cargo rates on grain by the Vancouver Harbor Board until an opportunity has been given for a thorough investigation at which all interests involved may be given a hearing. Premier Greenfield is resting his case largely upon the recent report of the Royal Grain Commission, in which Mr. Justice Turgeon took the position that the Vancouver Harbor Board had not produced sufficient evidence to prove the necesssity of an increase in rates.

Non-Union Mines Are Benefiting by Strike

From Our Own Correspondent

CALGARY. — The deadlock between the coal miners and operators in Alberta still continues and is likely to do so for an indefinite time. Non-union mines are beginning to reap a rich harvest owing to the strike and this will become more marked as the colder weather approaches. The miners' officials will on no account discuss any settlement unless it be on the basis of no reduction in the old-wage scale.

BUSINESS FEARS COMPETITION AS EUROPE REVIVES

United States Industrial Groups Suggest Increased Tariff as Safeguard

From Our Own Correspondent.

NEW YORK.—The adoption of the Dawes plan by France and Germany has roused so much apprehension in American business circles lest the plan enable the German manufacturers to launch a great campaign for export trade, that economists believed to be behind in the administration in its plans, are busy broadcasting reassuring messages through various channels. It will be several years, they are assuring the troubled business man, before Germany or any of the other industrial European nations will be in any position to compete intensively in the world market. Business men must not look for too immediate results from the adoption of the Dawes plan. Its effect on business will be at best gradual. So far as the United States is concerned the only immediate results that can be confidently looked for is the stimulation of the export demand for raw materials of all kinds. As soon as the credit machinery is available, these materials will be needed for the rehabilitation of German industry. But even this stimulation of exports will be gradual in effect, according to the Washington wiseacres.

But although Washington is doing everything it can to allay business men's fears regarding the immediate effects of the adoption of the Dawes plan, it is not attempting to deny that eventually American manufacturers and exporters must face keener competition as the result of it. This will be the case, it is apparently believed in the national capital, before the next two years are out.

Official Washington believes that the gradual return of normal or approximately normal conditions in Germany will bring about a gradual recovery in both France and England. Thus not only will competition from Germany become keener than it has been since the outbreak of the war, but American exporters will be forced to face the competition of both France and England. Despite these soothing assurances, various groups of business men have been working for increases in various tariff schedules. Apparently they are not willing to take any chances regarding possible European competition in the domestic market, despite the assurances of the economists. Although those in touch with administration opinion regarding the future of the United States' financial and commercial relations with Europe do not offer the groups who are asking a higher tariff much encouragement, there is every reason for believing that much will be heard of the tariff as a political issue during the next six months.

GERMANY HOPEFUL ABOUT DAWES REPORT

Improvement in Conditions in Trade and Finance in July is Reported

OTTAWA.—Reviewing trade and business conditions in Germany, L. V. Wilgress, Canadian Trade Commissioner at Hamburg, reports under date of Aug. 11, as follows:

There was a noticeable improvement in business conditions in Germany during the month of July. The credit stringency, although still acute, was relieved to some extent by credits from foreign banking houses, while the progress of the London Conference on the putting into effect of the Dawes Report created a more hopeful atmosphere. The result was seen on the stock exchange and the prices of some of the leading German shipping, banking and industrial shares appreciated from 35 to 60 per cent. during the second half of July. This was the first marked improvement in the stock market since the steady decline in the prices of all leading shares commenced at the beginning of last spring. Interest rates still remain at 2 to 3 per cent. per month, but the position is gradually becoming easier as stocks of merchandise in the hands of wholesalers are liquidated and credits are obtained from abroad.

The future outlook for German trade and industry may be said to depend entirely upon the prospects for the execution of the provisions of the Dawes Report. While the present feeling is, therefore, one of optimism, it is realized that the improvement in general conditions will be gradual. On the other hand, it is believed that confidence in the future will be restored with the raising of the foreign loan of 800 million gold marks, with the evacuation of the Ruhr, and with the execution of the other provisions of the Dawes Report. The necessary foreign credits should then be forthcoming, upon which the prosperity of German trade and industry so largely depends.

New Crop Not Yet Factor In Car Loading Figures

The fact that car loadings for each week since July 20, have been running below last year's figures for the corresponding weeks does not indicate that less business in general is being done this year than last. It simply reflects the fact that the harvest is later this year, by from one to three weeks, and the shipments of new grain have not yet begun to affect the situation. The total number of cars loaded since the beginning of the year was 1,801,033 in comparison with 1,694,796 last year, an improvement of 6 per cent. This is probably a fairly accurate measure of the relative amount of business being carried on this year in relation to 1923.

Last week's loadings showed a small improvement over the previous week. This was stated to have been due to the shipments of merchandise in the western division and to forest products and livestock shipments in both divisions.

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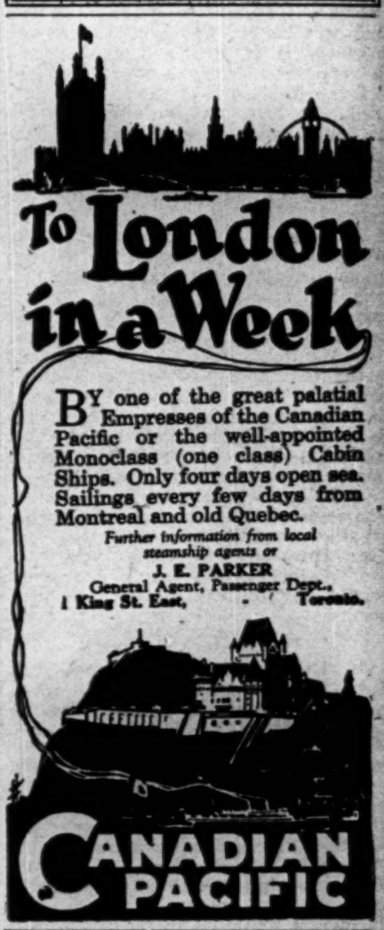
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THE GASOLINE TAX

Sydney Record

Present probability is that Quebec's gasoline tax of two cents a gallon will yield the province an annual revenue of at least $400,000. One feature of this tax plan is that it compels visiting motorists to pay something for the use of the highways which their cars inevitably help to wear down but the payment required of them is so small that travel to the province is not lessened because of the impost. Other provinces might perhaps follow Quebec's example in this regard with advantage to themselves.

WHEAT POOL IS NOT TRYING NOW TO BOOST PRICES

Hope is to Increase the Profits Through Economies

WHAT ARE BENEFITS?

Will Members be Satisfied With Average Price or Think They Should Get Top Quotations?

From Our Own Correspondent.

WINNIPEG.—The Canadian Cooperative Wheat Producers, Ltd., the central selling agency of three provincial wheat pools is getting rapidly under way. The Alberta pool, as a result of last year's operations, is in a position to accept wheat from farmers and make them an initial payment on the basis of $1 per bushel, basis No. 1, northern in store at Fort William. The Saskatchewan and Manitoba pools are expected to be in the same position without a few days, and strenuous efforts are being made so that no farmers will be delayed in delivering their wheat, or be given an excuse for breaking the pool contract.

The contract of the individual farmer is with his provincial pool. The provincial pools, in turn, have contracted with the central selling agency to market all their wheat through that channel, and to accept a pooled average price. Alberta gives up any exclusive advantage from her nearness to the port of Vancouver, and Manitoba the advantage that often lies in being able to market wheat early before the rush from the other provinces begins.

Over eighty thousand farmers are under contract to market all their wheat through the pools, and the turnover of the central selling agency this year will be probably more than $150,000,000. The central selling agency is reported to have obtained a total line of credit from the banks of $25,000,000. That amount may suffice if the Alberta Pool's plan of last year, of selling largely through the established export channels is followed. If they operate on a more ambitious scale, and attempt to carry on a large part of the export business themselves, making delivery at British and foreign ports, it will require probably a much larger line of credit. But the banks are accustomed to supply the money actually required for crop movement, and if the pool appears to be carrying on business on safe lines, it is to be assumed that the banks will be as willing to supply funds for wheat in their hands as in the hands of any other traders.

A Last Opportunity

In the interval after the Alberta pool closed its operations for last year, and the Canadian Co-operative Wheat Producers Ltd., were ready for business, the future markets were at very high points. Ordinarily the pool management should have taken advantage of the situation, and sold wheat for future delivery. The Alberta pool could have protected the situation by making such contracts, expecting them to be taken over later by the central selling agency, but in grain trade circles it is doubted if this was done to any considerable extent. If not, one of the pool's opportunities for the season was lost.

A more conservative tone marks the official utterances connected with pooling now than while farmers were being urged to sign contracts. Less stress is being placed on the ability of the pool to control market prices, which, according to some of the doctrine preached, it would be able to do, and more stress is being placed on securing a fair average price for contract signers. While the pools were in formation is was generally admitted that the physical handling of wheat was carried on about as cheaply as could be expected. Now in pool circles there is talk of economies to be effected by the pools controlling their own line of elevators, and concentrating their great volume of business through a comparatively small number of elevators. Economies in this direction can hardly be conceived of as amounting to more than a cent or two a bushel, under the most favorable circumstances, and there is ground for doubting if they could amount to that.

Changing Radical Views

The fact that attention is now given to comparatively small items, and is no longer placed on the idea of the pool forcing prices up to a "just" level, a "reasonable" level, or a level "equal to the cost of production" indicates that a contact with reality, through one year's experience of the Alberta pool, has already taught a good deal.

There need probably be no fear of the wheat pool attempting any spectacular stunts through withholding large quanties of wheat in order to force higher prices. The caution of the banks in protecting their loans would be a brake on such ideas, but an even greater restraint would be the actual market experience of those conducting the selling. To satisfy its contract holders, the pool must come out each year with a fair average price based on the course of markets. To attempt much more is to run the risk of getting much less, a risk that the management is hardly likely to undertake.

Will the Scheme Last?

Whether the pool system will be permanent or not is a question eagerly discussed in grain trade circles. The probabilities are that a considerable number of farmers will become dissatisfied through calculating that had they sold their own wheat at the peak of the market they would have done better than the pool average price. But there are thousands of farmers to whom it will perhaps appear as a real benefit not to have to worry about the time of selling, and to be assured that if they do not get the highest price of the season, neither will they get the lowest. Now that the contracts are signed, pool propaganda will probably be based on educating farmers as to the actual benefits to be obtained and away from visionary ideas of impossible results.

It is altogether likely that the pool, both in order to satisfy its membership and in the search for small economies will shortly set about acquiring a system of elevators, probably by purchase on long-time agreements from some of the elevator companies. To build more elevators to any extent would be an ecomomic waste, as there are already too many elevators at many points.

The pool is stated to be in search of a general manager, now that the position has been refused by the Hon. John Brownlee, attorney general of Alberta. Such a position, in addition to the employment of grain experts now engaged for selling the wheat would hardly be necessary unless further developments were in contemplation.

ARE OUR FOREIGN OFFICES A GOOD BUSINESS PLAN?

Interest in Mr. Larkin's Report of Collecting National Debts

From Our Own Correspondent.

OTTAWA. — The announcement made by Hon. P. C. Larkin that the high commissioner's office in London had collected last year over $2,000,000 in debts owed Canada by other countries, and that the amount would probably exceed $4,000,000 this year, has given rise to much satisfaction here. The various activities of the Dominion government in Great Britain and the continent are costing so much money that the question is now being asked whether the results are commensurate with the expenditure.

In addition to the extensive establishment of the high commissioner in London there is the costly immigration service, as well as that for the promoting of trade. Then there is the very large organization now maintained by the Canadian National Railways in Great Britain, as well as that on the continent, centring in the Hotel Scribe in Paris.

But this is only a partial statement of the establishments maintained by Canada in Great Britain and the continent. To this must be added the London offices of several provincial governments, and now it is announced that Manitoba has come to the conclusion that it, too, must be represented over there. If the total cost of all these services were obtainable it would undoubtedly be shown that representation in Great Britain costs Canada more than it does most of the big powers.

Another matter much commented on is the marked increase in the number of government officials who now find occasion to visit the British Isles and the continent on official business. As all this means much greater expense, it is noted with satisfaction that progress is being made in collecting some of the money already owing to the country by overseas governments.

From the standpoint of expense, the United States government handles its work in foreign countries much better than does Canada. With us it is almost entirely a spending proposition, from which no immediate revenue is expected. But the United States Department of State not only through certain fees, one of which is a small tax on bills of goods exported to the republic, pays for its entire consular service. but has a nice surplus.

WORTHLESS FARMS FOR HEBRIDEANS?

Correspondent Questions Wisdom of Settling Them on Lands Long Abandoned

From Our Own Correspondent.

SYDNEY.—Is it fair to new settlers from the Hebrides to urge them to take up farms abandoned by the early Scottish pioneers who, after a century of struggle with the rocky hillsides, were obliged to move on to the Canadian West or the United States in order to make more than a bare living? That is a question that has been raised forcibly in Cape Breton by the recent visit of a party of scouts for Canadian homes for people from the Outer Isles. It is felt that at least the soil of all vacant farms should be tested by the provincial department of agriculture, so that each new settler shall have a fair start on the best land available, and not be assigned blindly to some worthless farm where the fight with Nature is lost before it is begun.

Canada's Interest in Van Sweringen Merger

Canada was interested in this week's announcement of the terms of the merger of the New York, Cleveland and St. Louis Rd., the Erie Rd., the Pere Marquette Rd., the Chesapeake and Ohio Rd., and the Hocking Valley Rd. The combination will, it is said, have a total mileage of about 11,000, and a capitalization of over $1,500,000,000. The Pere Marquette Rd. owns the Lake Erie and Detroit River Ry., 199.41 miles in Canada, and has certain running rights over the Michigan Central Rd. between St. Thomas, Ont., and Buffalo, N. Y.

PRAIRIE RAILWAY SERVICE IS LIVE ISSUE AT OTTAWA

If P. G. E. Taken Over the Agitation for H. B. R. Will Be Revived

From Our Own Correspondent

OTTAWA. — The announcement from Vancouver to the effect that H. M. MacLeod, on behalf of the Canadian National Railways, had made a proposal to the British Columbia government for the taking over of the Pacific Great Eastern Railway was received here with keen interest, though there is no local information as to the particulars. This is natural, for the P. G. E. is a provincial railway.

As the British Columbia government, through its activities here, is known to be eager to get rid of this white elephant, which is understood to have cost the province $45,000,000 and on which the operating loss is $250,000 a year, it is believed that if the offer is of a fairly reasonable nature, it will be accepted. It is improbable, however, that the Canadian National would consent to take over the total liabilities, which would add much to its fixed charges. As far as the public is concerned, however, consideration of this phase of the subject must remain in abeyance until the particulars of the proposal are divulged. Of course, there would be an additional liability in the form of new construction work to be undertaken. for assurance that the railway would be completed is sure to be one of the conditions of the proposed deal.

Owing to the development of the Pacific ports as an outlet for the grain of the West, the providing of railway facilities for the Peace River country, with which development the P. G. E. is bound up, is sure to receive much attention during the next few years. It is thought that the recommendations of the Canadian National officials will be in favor of providing such railway facilities, as will promote settlement and provide an outlet for farm products. But, of course, there are many factors to be considered. Even if the recommendations are favorable, there is the further question—where will the money come from? This is a subject that parliament would assuredly debate for some time.

The Hudson Bay Agitation

Consideration of Peace River railway developments must also go hand-in-hand with the Hudson Bay Railway. Reports of Hon. Mr. Motherwell's speeches delivered in the West say that he has given assurance that the completion of this project is one of the planks of the government's policy, and he is understood to have given assuracne that if the agitation for the completion of the project is continued, it will be successful. It will be redoubled, if the impression gets around that the Peace River people are likely to meet with success.

The political situation to-day is so involved that if one portion of the country secures the authorization of an important public expenditure, other parts with equally large projects in mind are sure to demand, and are practically certain to receive equal consideration. This fact is sure to hold up for awhile any important new transportation enterprise in which Dominion government financial support of an important nature is necessary.

THIRD LARGEST OF WORLD'S RESOURCES

Manchester Guardian Tells Story of Wealth of Canada's Timber

There are many countries which possess in marked degree some special characteristic giving them, to that extent, a definite advantage and status over others. To her coal and iron, for example, Great Britain owes her position as a great manufacturing nation. France has her vineyards and her silk manufactures; South Africa her gold mines; Australia her immense stretches on which has been developed her cattle export trade; the Netherlands their rich soil which has made possible a great dairy industry. And so one could continue. By most people Canada is looked upon first, and almost last, as a great grain-raising country. The story of her rise and progress to the position of "the world's bread-pan" is a fascinating romance. But although Canada's greatest national resource is in her soil, her present and her future are to be measured not alone by her wheatfields and her elevators. Within those 3,700,000 square miles which stretch from ocean to ocean, and from the United States border to the Arctic regions, are to be found practically every form of natural resource necessary for human life in our present civilization. Canada, indeed, is not only a self-contained country; she is a great reservoir of supply for many nations less fortunate or more specialized in their possession. In this way the Manchester Guardian starts an article entitled: "Canada, the World's Treasure House."

After dealing at great length with the agricultural outlook, the Guardian says of our forests:

"The potential wealth in the forest possessions of the Dominion is beyond human estimate. She has the third largest resources in the world, with an approximate area of some 900,000 square miles. These are contained in a belt, the central line of which starts from a point near the Straits of Belle Isle, proceeds south-west to south of James Bay, and then north-west to the border of Alaska, ending opposite the mouth of the Mackenzie River and stretching for a total length of 3,700 miles, with an average breadth of about 700 miles. Dr. Fernow, Professor of Forestry at Toronto University, estimates the nominal forest or woodland area at 1,000,000,000 acres, and the actual available area of merchantable timber at 200,000,000 acres. These forests yield 45 principal commercial woods, including spruce, white pine, hemlock, birch, fir, red pine, maple, cedar, ash, elm, poplar, oak, etc. What happens to the products of the forests remains to be told in a succeeding article. Against the ever-present danger of serious destruction by fire the Federal and provincial authorities wage constant war. An elaborate system of aeroplane scouting, wireless telegraphy, portable telephones, and power pumps is in operation, and there exists an efficient organization for the replanting of depleted areas.

A Costly Lesson

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next, to Shareholders of record at the close of business on the Fifteenth day of September.
By order of the Board.
WALTER F. WATKINS, Secretary.
Toronto, August 20th, 1924.

Edison is Unable to Aid His Own Hearing

It is one of the strange anomalies of science that the world's most famous inventor has not been able to assist his own failing hearing by mechanical means. A Canadian who called on Thomas A. Edison the other day states that he had difficulty in carrying on a conversation with the aged inventor, even in a shout. Edison's hearing seems to be beyond cure, and beyond assistance through electrical sound amplification, in which field of study Edison has been a world leader.

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FOREIGN LOANS REACH BORROWER IN MERCHANDISE

Method of Spending Proceeds is Often Stipulated by Lender

International loans, when finally absorbed in the markets of the lending country, are in the form of debentures for definite terms, with the covenant of the borrowing country to pay interest at stated intervals, and the principal itself at the end of a definite term of years. The owner of the debenture, the investor, has bought and paid for it either by bank funds or cash, and the fact that the borrowing country received the proceeds not in cash but in goods, is obscured. It sometimes transpires during the negotiations for the flotation of the loan, that the syndicate underwriting the loan, stipulates that the proceeds on the bulk of the proceeds are to be expended in a certain direction, usually in the purchase of goods in the country where the loan is to be floated. This is particularly so when the borrowing country is not in good credit.

When the borrowing country is in good credit this stipulation is not mentioned, but the proceeds of the loan, nevertheless, reach the borrowing nation in the shape of goods. The reduction of the heavy trade balance against Canada, and in favor of the United States, through the sale of Canadian, municipal and government debentures in that country, is a good illustration.

The system of international loans had its real beginning after the close of the Napoleonic wars, when the Spanish colonies in North and South America began to throw off the yoke of Spain and sit up for themselves. There was much sympathy for them in England, and when the new republic needed funds they found it comparatively easy to float loans in that market. The fact that at war time Great Britain was the chief manufacturing centre, and therefore the only place where the proceeds of the loans could be spent, also helped. The practical effect was that instead of the manufacturers supplying the goods on credit, the risk was carried by the investing public who bought the bonds. Much of the funds invested in this way were lost, so far as the public were concerned, but the manufacturers and mechanics who made the goods, as well as the shipping companies who transported them, were paid.

Mexico was one of the heavy borrowers, and the losses in Mexican investments were heavy. The traders who supplied the foods, however, made profits and probably the gains so obtained over a period of years exceeded the losses on the whole.

Mexico's credit at present is at a very low ebb, and it would be impossible for that country to float a loan in any financial market. Money and credit, however, are badly needed by the government, and recently a shipping company has offered a loan of 20,000,000 pescos or roughly $10,000,000, provided the government of that country will take it in the form of railway equipment. The government, however, has other views, and thinks it can use the money to better advantage. Probably it can, for at the present time it is reported to be unable to pay its employees under present conditions. Therefore, if the equipment did come it is unlikely that it could either pay for the labor to assemble the stuff, or use it to repair the railway lines damaged in the revolutions.

The history of Mexican railways from the investors' standpoint is most unhappy. Even in Diaz's time the returns were disappointing, owing to the unwillingness of the public to pay the standard fare. It was much cheaper to pay the conductors than to buy tickets in the regular way, as the tariff was lower. The company did not benefit, of course, but the conductors and passengers were satisfied. Some years ago the lines were taken over by the government under the terms of the concession, and it was agreed to pay the owners a price for their holdings based on the net receipts. On paper this was very satisfactory, the only trouble being that there has been no attempt to pay. The government needs the money, and the revenues from the railways now running is required to help out the government income.

Another war measure bore very heavily on one of the banks, the Londres, of Mexico, which had operated in that country for many years, started with British capital, though late years under French control. It is now in liquidation, because the government seized the bullion in its vaults as a forced loan. A receipt for the gold was given, of course, and this document may eventually be filed as exhibit one in a suit to recover in case the country is ever able and willing to pay its debts.

It was to defend the widow of the manager of the branch of this bank in Pueblo from the depredations of federal officials that the British representative in Mexico quarrelled with the government, and was, in consequence, besieged in the embassy. The lady owned a ranch which the federal commander wanted, and as she declined to vacate, the usual methods to evict were used, burning the buildings, running off the cattle and similar pleasantries. Ordinarily it would have been possible to have arranged a funeral for the delinquent, as the result of an attack by revolutionists or bandits, but unfortunately for the authorities the lady managed to send to a Chicago paper a full account of the matter, giving the names of the federal officials who were mixed up in the affair. No wonder the government is annoyed and has deported the correspondent of the newspaper in question.

GENERAL MOTORS TO REGULATE STOCKS

Manufacturing to be in Line With Retail Sales and No Overstocking by Dealers Permitted

By ALFRED P. SLOAN, Jr.,
President, General Motors Corporation.

I have noted a number of references in the automotive press recently, dealing with a subject which I believe to be very much in the minds of all automobile dealers; viz., the policy of the manufacturer with regard to stocking of cars by dealers during certain seasons of the year. Recently I have contracted personally with a very considerable number of distributors and dealers, and the subject has also come up for discussion in conferences I have had with bankers in various cities who have direct contact with the subject through the financing of dealers in their respective communities.

Speaking for General Motors, I recognize that the economic position of the dealer as a whole is not as satisfactory as we would like to see it, and on account of the fact that the dealer is an essential link in the chain of circumstances from the production to the ultimate disposal of any car, manifestly his position must be recognized and soundly established.

I have heard the theory advanced that the dealer will sell more cars if he is stocked to the limit. As a general rule I don't believe this is so, at least when considered from the standpoint of a long pull over a period of years. On the contrary, any unreasonable burden in the matter of stock thrown upon the dealer organization results in an economic loss, and must be reflected in increased discounts and list prices to compensate for the reduced turnover of capital invested in inventories. On the other hand, I believe that any dealer who places any value on the car franchise that he may have is perfectly willing to do his part in carrying a just proportion of such burden as should be carried.

Retail sales, representing the movement of cars into the hands of users, are subject to seasonal fluctuations over the course of the year. Should production be allowed to fluctuate to a similar degree, the tendency would be to increase manufacturing costs. Therefore, in the interests of economy, plants should be operated at as level a rate as possible. This requires a seasonal accumulation of stocks in the hands of dealers and distributors. The rapid growth in the proportions of closed cars has served to flatten out somewhat the peak of spring demand. I believe it is possible for the manufacturer to maintain practically a level line of production and yet not subject its dealers and distributors to any undue burden in the matter of seasonal accumulation of stock.

TEMISKAMING LOSES

A deficit of $4,199 was shown by the Temiskaming Mining Co., in the past year. This deficit compares with a net profit of $9,023 for the previous year. As the property was not worked during the year the earnings of $5,461 were largely made up of interest, which amounted to $4,895. Expenses totalled $9,660, of which the big items were mine and head office expenses, along with insurance and taxes. Current assets totalled $73,420, and investments are given at $279,992 in the Blue Diamond Coal Co. and Canadian Coal Fields, and $290,000 advance to Blue Diamond Coal Co.

News and Views for Investors

PUBLIC INTEREST IN CANADIAN SHARE MARKETS QUICKENS

Brokers Say They See No Danger From New York Break

The market continues to show flashes of public interest. The spotty trading apparent last week, when a number of issues, subject to special news, held the bulk of attention, gave way to a more widespread trading and, with the exception of the textile groups, practically all the active sections of the market came in for a share of attention. The public are coming in better, say brokers. The backward position of the Canadian textile industry, due to imports, as outlined in the Canadian woollens report, is reflected in the market for this group. Only four of the twelve listed stocks were traded in, one lost a point, one gained a half, two were dealt in at unchanged prices and eight were not traded in at all. Banking shares were in heavy demand at higher prices, six of the group showing a total advance of 18 points, one declined a half point, while four were traded in at unchanged prices. The story of the paper group is the direct opposite. There was liquidation of these shares, six stocks declining 14 points while three advanced.

The optimism regarding better business conditions in the fall was reflected in the steel group. Five of the leaders advanced better than two points average, the others remaining firm. Milling shares were also in better demand, two and three point advances marking five of the 12 issues, four others held firm with three showing declines. Utilities were somewhat neglected, the changes being merely fractional. Transportation shares were better than a week ago, and so were the industrials and specialties. In this group are numerous stocks that are not keen market traders, so that it hardly reflects any market trend.

Brokers are quite optimistic. They see the New York market holding well despite predictions that a break may be expected any time. They make the point that the Gotham advance is so far ahead of the Canadian lists, that they cannot see how a break in New York would affect here anyway. On the subject of easy money and the continuance of the same, the reason advanced by many for a major portion of the market interest the guaranty survey of Guaranty Trust Co., New York, presents some interesting views. It says:

> An abundant credit supply and easing money rates have influenced security prices for so many months that it is only natural that there should be slow response to the further slight easing of the shortest period money rates which took place recently. The very low rates in the New York market for call and 30-day money really mean little as to future trend, since it is the peak of the autumn requirements, when it appears, which will show whether or not the supply of credit is much in excess of the demand.

The trend of the market is shown by the following table:

	Gains	Loss	Unchg.	Total
Banks	6	1	4	11
Paper	3	6	0	9
Steel	5	0	11	16
Milling	5	3	4	12
Utilities	2	4	5	11
Transportation	4	3	6	13
Textiles	1	1	10	12
Industrial ...	7	5	48	60
	33	23	88	144

Spanish Preferred Gets Into Investment Hands

From Our Own Correspondent.

MONTREAL.—One day last week a block of 3,010 shares of Spanish River preferred was bought for a single investment account. Investment purchases of Spanish, Price Brothers and some other paper stocks are believed to have totalled over twice that figure during the past couple of weeks, in addition to market trading by speculators.

It is stated by brokers who know the situation pretty well that there is very little Spanish preferred lying loose around the Street; that practically all of it has been taken up by those who are holding it for investment purposes. The common is not yet in this favorable position, though officers of the company are hoping that it will soon reach that stage. There is still a good deal of Spanish common in the hands of traders, speculators, and others. who are not certain to hold their stock. But progress is being made in solidifying the position of the common.

CANADIAN WESTERN LUMBER

Sales of lumber reported by the Canadian Western Lumber Company for the month of June amounted to 7,697,476 feet for which $181,914 was realized. This compares with 10,749,764 feet sold during the same month last year and the price realized $320,571. Aggregate sales for the first six months of the year totalled 56,390,959 feet, realizing $1,499,793, while for the corresponding six months last year the aggregate sales amounted to 60,537,783 feet, and the price realized $1,720,239.

Railway Earnings

Canadian National

July	1924	1923	Change
Gross	19,986,670	20,824,408	— 837,738
Exp.	19,401,419	19,345,618	+ 55,801
Net	585,251	1,478,790	— 893,539
Seven months—			
Gross	134,849,228	136,738,959	—1,889,731
Exp.	131,634,547	133,668,812	—2,034,265
Net	3,214,681	3,070,147	+ 144,534

Canada Bread Issues Both Show an Advance

Canada Bread preferred shares are selling at par again, the nearness of the 1¾ quarterly dividend being responsible for the new interest. The interest in the common, however, is even more pronounced and seems to presage anticipation of better dividends. The common now stands around 82½ with little stock coming out. This compared with a low of 63 at the first of April, from which time on there has been quite a steady rise. The last report of Canada Bread showed earnings of 31.9 per cent., while the surplus is equal to 73.6 per cent. of the par value of the preferred issued.

CANADIAN VICKERS PLANTS ARE BUSY

Managing Director Reports Concern Has at Least Five Months' Work Ahead

J. R. Gillham, managing director, Canadian Vickers, Limited, Maisonneuve, Montreal, regards the future of Canadian industry as bright. While admitting there are many firms after new jobs just at present, Mr. Gilham declares that this is only a passing phase, in a statement to Canadian Machinery.

"The country will go ahead rapidly," says Mr. Gillham. "It has happened before, it will happen again. Just now all the skill of management is required to preserve the organization of some of the smaller firms. With so many people after every job, prices are being shaved to a minimum and the margin of profit is small. However, this condition is only temporary.

"In spite of all the talk of bad times in the metal-working industry," continued Mr. Gillham, "it is a fact that there is quite a lot of business to be secured, some of it, of course, larger than the average engineering firm can handle. For instance, we have had a reasonably busy summer. There are now at work in our plant about 750 men. As the navigation season closes this number will decrease somewhat, but I estimate that we have at least five months' work ahead in the shops. The marine and ship repair plant, the structural steel shop, the aeroplane division and the mining and industrial machinery plant are all at work and have big jobs ahead of them.

"Our large 25,000 ton drydock, up to this month, had not been very busy, as the tonnage entering the port of Montreal had been smaller than last year. For the past month, however, we have been very busy and it looks as if we will continue so until the season closes. Then there will be the usual amount of work on ships in drydock for the winter. Just now our staff is working overtime."

Milling Shares Come to the Fore Again

From Our Own Correspondent

MONTREAL.—The milling shares have reacted very favorably to a number of constructive factors and are selling at around the high points of the present year.

Rising prices for wheat have had a sentimental effect of some importance in widening interest in the shares. It was felt that the mills would make some money out of their wheat stocks. Of more importance, however, is the prospect of increased export business in Europe due to economic settlements now in process of working themselves out.

The milling companies, in most cases closed their fiscal years at the end of August and their annual statements will appear around the first of October.

The price record of the five leading milling shares on Toronto and Montreal exchanges has been as follows for the past two years:

	1923		1924		
	High	Low	High	Low	Now
L. of Woods	184½	160	185	168	188
Maple Leaf	199	41⅝	75½	59	80
Ogilvie	345	270	325	305	310
St. Lawrence	82	49	73	67	74
West. Can.	115	93	106	98	105

LARGE SHIPMENTS AMERICAN GRAINS VIA ST. LAWRENCE

(Continued from page 1)

Prince of Wales. The saving via the Canadian route on 8,861,000 bushels is at least $88,610.

It is reported that American shipping board officials are becoming perturbed over this movement, and that in response to the pleas of Southern port representatives who are suffering from Montreal's popularity, they are looking for some way out. The method suggested is to put down the railroad freight rates. This cannot be done without the assent of the Interstate Commerce Commission, and that body has recently demonstrated its unwillingness to reduce further the meagre revenues of the roads. A possible alternative is a cut in the trans-Atlantic rates on grain shipments, and it is well known that the United States Shipping Board is not anxious to suffer the further losses that would result. Therefore it looks as though Montreal will continue to handle a goodly proportion of the American export grain shipments and in this way retrieve some of the losses now accrued by Canadian grain going through American ports.

Benson & Hedges (Canada) report sales for the month of June amounting to $81,176 compared with $91,365 for the corresponding month of last year.

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STABILIZATION IN THE MOTION PICTURE GAME

Will be Less Spectacular Business but a Safer One

From now on the moving pictures will be a less spectacular business, but a safer one, is the comment of the National Bank of Commerce in New York, in discussing the stabilization of the motion picture industry in the September issue of Commerce Monthly.

The motion picture industry is slowly getting out of the class of a game, and more in the class of a business. The evolution is not yet complete, but to its progress the events of 1922 and 1923 have contributed notably. A settling-down process has been taking place during the past two years, resulting in the establishment of three fundamental principles: First, that production costs cannot be enlarged indefinitely without straining the financial basis of production to the breaking point; second, that sound financing methods are indispensable for the progress of the industry; and third, that public approval and goodwill are its most valuable assets.

Until 1923, the motion picture industry was the spoiled child among American industries, spending as lavishly as it pleased on more and more costly productions, knowing that the generous public would foot the bills. This condition was not permanent. Judging by the volume of collections under the Federal tax on admissions to all classes of entertainments, the twelve months ending June 30, 1921, established the record for expenditure on admissions to entertainments. Undoubtedly, admissions to motion picture theatres formed the larger share of this total, there being so many more picture houses than legitimate theatres in the United States, but it is impossible to segregate returns from any one source.

Costs of production in this industry, as in others, have risen rapidly in the past few years. Once it was possible to produce an acceptable "feature" picture for a few thousand dollars. Now the average is between $100,000 and $200,000. "Super-pictures," which have been exploited in very recent years, cost from $700,000 to $1,500,000. Cost does not determine profits, however. Producers have learned that it is possible to earn as large a profit on a good $100,000 picture as on one which costs $200,000.

Spectacular super-productions of the million-dollar class magnify the risk which the producer runs. They will never be the bread-and-butter earners of the industry. The recovering of such a large investment in production takes a longer time than realizing cost and profits on smaller pictures. For a year or longer the producer must lose interest on his capital, which is tied up in the pictures, or pay interest on loans before profits begin.

In the greater number of cities there is no field for pictures at which maximum admission charges are $2 or over; neither the size of the theatres nor the enthusiasm of audiences would support such rates. After several months of showing in the large centres a picture is retired to country-wide circulation, and the producer begins to receive returns above his outlay. A million-dollar picture may take from one to two years to bring back its cost. In exceptional cases, a picture may run for several years.

Toward the close of 1923, overproduction, "big pictures," and lack of cost control, had brought the industry to a point where its finances were not sufficiently liquid for safety. Drastic measures of retrenchment were enforced by several of the larger companies, even to the point of closing the studios for a number of weeks last fall. The desirability of keeping production under the direct supervision of financial departments, which are located in the East, led to an increase in activity in eastern studios. California's supremacy is not seriously endangered, however.

The opinion, from high authority, that the further growth of the industry promises to be greater than that already attained can be accepted only with reservations so far as the American market is concerned. It is undoubtedly true as regards the application of motion pictures to industry, advertising, propaganda, education and research, where only a beginning has been made. Activity in picture production at present is devoted in overwhelming proportion to amusement. In this field, the growth of the industry is much nearer the maximum.

ALBERTA BUTTER FOR ORIENT

EDMONTON.—More Alberta creamery butter than ever before is going to the British and Oriental markets this season. Already shipments to both these markets have been very heavy. The British market has been very receptive, and more than twice as much Alberta butter will go there this year than went in 1923, when more than 20,000 cases were shipped to Britain. The shipments to Japan and China this year have also been heavy.

Ore receipts at the Trail Smelter of the Consolidated Mining and Smelting Co., for the period August 15 to August 21, amounted to 9,018 tons, and for the year to date 300,661 tons.

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Motor Output Shows An Unusual Upturn

CHICAGO.—An upturn in the trend of automobile production is indicated in July reports to the Federal Reserve Bank of Chicago. This contrasts with the seasonal decline at this time in past years. Unseasonable decreases in production of April, May and June have reduced cars in warehouses and with dealers to a point where increased output can be readily absorbed.

Reports on cars in warehouses in Chicago, the distributing point for a large portion of the middle west, show only a small number in storage at present and few, if any, replacements.

UNLISTED SECURITIES

Industrials, Utilities, Etc.—	Bid	Asked
Can. Assoc. Goldfields	04½	07
Can. Westinghouse, pref	132	136
Can. Marconi	1.00	..
Cockshutt Plow, 7% pref.	25	28
Collingwood Shipbuilding, com.	47	53
Cosgrave	5½	5¾
Dom. Power, pref.	94½	..
Dom. Power, com.	37½	39
Dunlop Tire 7% pref.	80	84
Durant Motors (A)	5½	..
Durant Motors (B)	6½	..
Durant Motors (C)	8½	..
Dom. Sewer Pipe, com.	27	..
English Elec., com.	7	..
English Elec., pref.	47½	..
Famous Players, pref. 50% com.	72	73½
Gunns, Ltd., pref.	29	33
Hamilton Pantages, pref.	50	..
Hamilton Pantages, com.	..	2½
King Ed. Hotel deb. A	54	58
King Ed. Hotel deb. B	32	36
K. & S. Tire, pref	14	..
Loew's Buffalo, com.	80	1.20
Loew's Hamilton, pref.	50	..
Loew's London, pref.	5	6
Loew's Ottawa, pref.	19	22
Loew's Toronto, pref.	57	62
Loew's Toronto, com.	33	34
Massey-Harris	26	30
Mount Royal Hotel, pref.	43	46
North Mexico Power, com.	15	17½
Robt. Simpson, pref. 6%	93	94½
Dom. Comb. Mills (1 pref, 2 com)	60	..
Loans and Insurance—		
Brit. Am. Assur.	6	7
Capital Life	22	27
Can. Mortgage	54	60
Continental Life	25	30
Crown Life	100	..
Excelsior Life	31½	..
Great West Life	220	..
London Loan	44	48
Manufacturers Life	55	58
Mercantile Trust	102	..
Monarch Life, 10% pd.	13	15
National Life $25 pd.	50	..
Ontario Equitable	17	..
Peoples Loan	78	..
Sovereign Life	17	22
Sun Life 50% pd.	170	..
Sterling Bank	92	95
Trusts & Guar.	66	70

Utilities

BARCELONA POSITION BETTER, IS SHOWN BY ANNUAL REPORT

Exchange Continued to Rule Important Factor in Affairs

Exchange is still an important factor in the affairs of Barcelona Traction, Light and Power, the annual report just issued shows. In fact, it was exchange, perhaps more than anything else, which prompted the refinancing recently carried out. Otherwise the affairs of the company show betterment. Revenue for the year was $2,726,973 as compared with $2,575,466. Administration and general expense reduced the net to $2,572,497 compared with $2,235,225. Interest on the two prior lien bond issues reduced this to $1,123,511, the amount available for first mortgage bond interest, which compares with $738,359 the year previous. Two per cent. in June and three in December, involving $917,950, was paid as against $715,273 a year ago.

Common shares are still shown as having a par value of $30,000,000, but the reorganization cut this to $15,000,000. There will be an increase in the 7 per cent. non-cumulative participating preferred because of the bond exchange. No important change is reflected in the balance sheet.

Gross earnings of the combined enterprise showed an increase of 4,352,538 pesetas, while net was 1,972,789 better. However, exchange figured strongly. The average rate between London and Spain was 31.83 compared with 28.65 in 1922. The reorgnaization will counteract the influence in part this year.

Improvement in power sales gives much encouragement, otherwise business was rather dull, says President E. R. Peacock, who adds:

"In September a military directory superseded the existing government and assumed control of the affairs of the country. Since that time there has been no labor trouble and business has been normal. As stated in last report, owing to lack of rain, it was necessary to operate the steam plant during the first three months of the year, with the result that the expenses of operation were abnormally heavy. There were, however, ample rains in the autumn of 1923.

"Considerable extensions were made to the Light and Power Company's distribution system during the year, and further extensions are contemplated to meet the growing demand for power. The hydraulic plants were also substantially improved by changes to the penstock system at Tremp and the installation of automatic spillway gates at Camarasa. A lower penstock is also being installed at Camarasa, which will make it possible to utilize a larger amount of the stored water in the case of drought. Gross earnings of Cataluna Railway Company (Ferrocarriles de Cataluna) and the Sarria Railway Company were again satisfactory, but operating expenses were abnormally high on account of very heavy renewals on the line of the Sarria. The most important part of this work was completed in December, and since then the operating ratio has been substantially reduced. The operating results of the Tramways Company (Les Tramways de Barcelone) showed a decrease in gross earnings of 1.3 per cent. and in net earnings 7.8 per cent. compared with those of the previous year. The question of local taxation continues to be a cause of anxiety to the board. The transfer of the control of the Energia Electrica de Cataluna was completed during the year, and already important economies have resulted. It is expected that, through the co-operation thus brought about, the production of power can be more effectively handled and the total output substantially increased without any additional expenditure."

A table showing five years' earnings follows:

	Earnings	Surplus
1918	$1,299,779	$ 2,835
1919	1,783,296	*618,031
1920	1,998,877	*231,886
1921	2,065,537	*156,872
1922	2,575,465	23,085
1923	2,726,973	21,985

*Deficit.

Profit and loss account follows:

	1921	1922	1923
Revenue	$2,065,537	$2,575,465	$2,726,973
Less			
Expense	160,936	340,241	154,476
Bond Int.	1,307,846	1,496,866	1,448,986
Mort. Int.	753,627	715,272	917,950
Reserve	......	......	183,576
Balance	156,872*	23,086	21,985
	$2,065,537	$2,575,465	$2,726,973

*Deficit.

Tram Power President Told to Call Meeting

From Our Own Correspondent.

MONTREAL.—That the new interests in control of Montreal Tramways and Power Company intend to take over the company is evidenced by their peremptory demand to the president, A. E. Beauvais, to call a special general meeting of the company. The demand is signed by United Securities, and a long list of other stockholders and brokerage houses.

While a list of definite purposes for the meeting is set forth in the notice to the president, the real object of the meeting is to elect a new board, it is taken by the street.

Ottawa River and Southern Canada Schemes Moving

MONTREAL.—Progress on a broad scale is characterizing two Quebec province power developments that are now under construction. At Hemmings Falls, on the St. Francis River, the new 30,000 h.p. development of the Southern Canada Power Company is up to schedule and power will likely be turned on around the first of the year, although the finishing touches on the develpment are not likely to be put on before spring.

At Bryson, Quebec, on the Ottawa River, the new development of the Ottawa River Power Company is also proceeding at a good pace, and here also New Year's is likely to see the delivery of power.

TO LINK QUEBEC AND THE MARITIMES

Another Year Will See a Canadian Telephone Line to Replace Line Through U.S.

From Our Own Correspondent.

MONTREAL.—Important steps are now being taken that will eventually lead to the connection of the Upper Provinces and the Maritime Provinces by an all-Canadian long distance telephone wire. The undertaking may become a reality before the close of another year.

At the present time communication between Montreal and St. John or Halifax can be had by a telephone wire that runs through various American centres. But in the interests of national unity it has long been felt by telephone men that there should be telephonic communication between all Canadian points over lines entirely within Canada, and this aim is being advanced in the new developments that will link Quebec and New Brunswick and the East.

The break in communication between Quebec province points and New Brunswick points has been between Quebec city and the New Brunswick border. The remainder of Quebec province and Ontario are well served by the Bell Telephone Company of Canada. New Brunswick is served by the New Brunswick Telephone Company and Nova Scotia by the Maritime Telegraph and Telephone Company. The territory between Quebec and Campbellton has been served by two smaller companies. These companies have been on unfriendly terms for some time, and this has prevented co-operation between them to give the best possible service to their districts. And neither has had telephone equipment capable of handling long distance messages between New Brunswick and the Maritimes and points in the Upper Provinces.

Companies Get Together

Recently the two competing companies smoothed over their differences and have divided up the territory both were formerly attempting to serve. The Kamaraska Telephone Company took over Kamaraska and Temiscouta counties, and the National Telephone Company the remainder of the territory. Both are now beginning aggressively to improve their services.

The National Telephone Company has sold $250,000 of bonds, and with a portion of the proceeds is erecting a new long distance line between the Bell and the New Brunswick systems. When this line is complete it is planned to add amplifying equipment, thus making it possible for a person in Montreal or Toronto to talk to a person in Halifax or St. John over telephone lines entirely within Canadian territory.

Public Utility Earnings

PORTO RICO RAILWAYS

July—	1923 $	1924 $	Increase $	%
Gross	108,085	115,254	7,169	6.63
Net	22,845	45,030	22,185	97.11
Seven months—				
Gross	769,670	839,590	69,920	9.08
Net	245,268	303,912	58,644	23.91

SOUTHERN CANADA POWER

July—	1924	1923	Increase
Gross earn.	$ 83,879	$ 75,952	$ 7,927
Oper. exp.	40,197	36,758	3,438
Net earn.	$43,682	$ 39,193	$ 4,489
10 Months Ending July 31			
Gross earn.	$868,430	$776,007	$92,422
Oper. exp.	393,237	346,785	46,451
Net earn.	$475,193	$429,222	$45,970

CANADIAN WESTERN GAS

	1923	1924	Change
January	$ 107,765	$148,965	+41,200
February	117,231	104,266	—12,965
March	98,818	96,065	— 2,753
April	83,070	93,811	+10,741
May	53,331	56,197	+ 2,866
June	38,097	46,428	+ 8,331
Aggre. earn. from Oct. 1 to June 30	$779,650	$806,440	+$26,790

BARCELONA TRACTION

July, 1924—	1924 Pesetas	1923 Pesetas	Increase Pesetas
Gross earn.	4,011,718	3,521,912	489,806
Oper. exp.	1,783,143	1,619,956	163,187
Net earn.	2,228,575	1,901,956	326,619
Aggre. gross from Jan. 1	32,378,871	29,280,899	3,097,972
Aggre. net from Jan. 1	19,473,942	16,554,953	2,918,989

WINNIPEG ELECTRIC

June	1923 $	1924 $	Change $
Gross	403,759	407,376	+ 3,617
Expenses	295,866	299,303	+ 3,437
Net earn.	107,893	108,073	+ 180
Aggre. gross from Jan. 1 to end of June	2,745,430	2,721,366	—24,064
Aggre. net from Jan. 1 to end of June	835,834	786,203	—49,631

B. C. ELECTRIC RAILWAY

June—	1923 $	1924 $	Increase $
Gross	831,005	882,722	51,717
Exp., Maintenance, etc.	620,073	661,638	41,565
Net income	210,932	221,084	10,152
Aggre. gross from July 1 to June 30, 1924	10,373,178	10,778,524	405,346
Aggre. net from July 1 to 30 June, 1924	3,035,744	3,119,484	83,740

Textiles

CANADIAN WOOLLENS SUFFER BY IMPORTS

Nearly 75 Per Cent. of Textiles in Use Were Imported, Says Pres. A. O. Dawson

That Canada's last increase in British preference made it difficult to successfully conduct the textile industry in Canada is the statement of A. O. Dawson, president Canadian Woollens, in reviewing the past year's operations. Net earnings stand at $133,552 as compared with $119,790 for the year previous. During the year the company sold its French spinning plant and also the equipment of the Standard Mill, Toronto, and took a loss of $74,218. This with interest on bank loans, less interest on investments, when deducted from net profits, leaves $37,553 to apply to reserves. Current assets stand at $1,056,782 and current liabilities $456,485 and the president states that it is the intention to put plants in proper physical condition and finances in such liquid position as to retain the full confidence of the company's bankers. He calls attention to the fact that the company is in excellent position to take advantage of improved business conditions which, it is hoped, will be noticeable in the not far distant future. Preferred dividends not having been paid for two years, the voting power at the next annual meeting will revert to preferred shareholders.

Speaking of trade conditions, Mr. Dawson says of the past year's experience:

Nearly seventy-five per cent. of the woollen goods used in this country have been of foreign manufacture, leaving but twenty-five per cent. for the Canadian mills to compete for among themselves. This meant the necessary shutdown of some mills, with a very heavy curtailment on the part of all the others, among these latter being the mills of your company.

This heavy curtailment, coupled with the low prices prevailing, prevented the making of a sufficient margin of profit to take care of overhead expenses and depreciation, and of course, shareholders received no return upon their investment to which they were justly entitled.

Textiles Hit by Tariff But Some Mills Busy

Attending the annual sales convention of his firm at Toronto, Frank Stanfield, president of Stanfields, Ltd., Truro, reports that the company's factory is working full blast, and that it was never more efficient, overhead being cut to the minimum.

Asked his opinion of Mr. Meighen's statement regarding the number of factories which have closed down in Canada, Mr. Stanfield said it was probably true. "For instance," he said, "our factory at Truro was closed for a month in July, but is now working at capacity. It is usual for us to close for two or three weeks every summer.

"The textile trade had been hard hit; but the new tariff was partly to blame; scarcity of material and high wages were also responsible. These latter factors had also caused a slump in the United States, and the labor which had emigrated thither was now beginning to return. There had been a good deal of dumping of British clothes on the market, some of it by Canadian houses, and this competition had proved embarrassing."

Textile Trades Are In Severe Depression

In its monthly letter for September, the Royal Bank of Canada makes the following comment on the textile situation:

The textile trades in both Canada and the United States have been depressed. Canadian imports of raw cotton declined from 125,000,000 lbs. in the twelve months ending May, 1923, to 89,000,000 lbs. in the twelve months ending May, 1924, a reduction of 29 per cent., while, as indicated above, the consumption of cotton by U. S. mills during the season just ended was 17 per cent. less than during the 1922-23 period. The statistics quoted in regard to Canada do not show Canadian mill consumption, and are, therefore, not exactly comparable with those given for the United States, but they serve to indicate what has taken place. In both cases, however, it should be noted that the 1923 period was a comparatively active one, and the current figures show up in a much less unfavorable way when compared with those for 1921-22.

Textile depression in the United States has been accentuated by a reduction in their exports of manufactured cotton, during a time when imports have held up close to the level of the preceding year.

The British textile trade has made good progress. British purchases of raw cotton have increased materially, while exports of cotton piece goods have risen from a monthly average of 345,000,000 square yards in 1923 to an average of 375,000,000 square yards in the first five months of 1924. British cotton goods are displacing a fair amount of U. S. goods in the most important textile export markets of the latter country, viz., Canada, the West Indies and South America.

Cotton Prices Are Now Close to a Year Ago

BOSTON.—In the past month cotton has declined approximately 5 cents a pound. This has given rise to widespread reasoning that since high cotton is the chief contributor to the textile ills of the moment, by its decline it is laying the foundation for better business.

Yet a comparison of cotton prices with those of a year ago reveals that there is less than a quarter-cent a pound difference. Last year October cotton was selling at 24.27 cents. The current price is 24.42 cents. The crop year, 1923-1924, was a woeful period for cotton mills.

The 1923 situation and the outlook to-day present some curious contrasts. Cotton was rising during August, 1923, because the crop seemed inadequate for needs. The official estimate was 11,516,000 bales, or 1,750,000 bales more than was picked in 1922. On September 1, the government reported the probable crop as 10,788,000 bales and the price spurted to nearly 38 cents by November. Curtailment was just beginning in the northern mills and the spindles of the country were running at 87 per cent. capacity.

STOCK MOVEMENTS OF THE WEEK

WEEK ENDING SEPTEMBER 2

	Div. Rate	Yield Aug.30	High For wk.	Low For wk.	Close Sept. 2	Close Aug. 26	Sales For wk.	Range 1924 High	Range 1924 Low
Banks—									
Commerce	12	6.48	186	182	185	183	67	188	178
Dominion	12	6.78	180	180	180	177½	54	187	176½
Hochelaga	10	6.84	..	..	..	..	..	150½	143
Imperial	12	6.85	179	175	179	175	15	179	169
Molsons	12	8.13	147½	147	147½	148	7	159½	147
Montreal	12	5.00	244	239	244	240	54	248	230
Nova Scotia	16	6.38	251	251	251	251	82	260	248
Royal	12	5.35	224½	220½	224½	222½	27	224½	211
Standard	12	7.54	159	159	159	159	1	168	156½
Toronto	12	6.83	177	174	177	175	108	179	169
Union	8	8.00	100	100	100	100	25	109½	100
Paper—									
Abitibi, com.	4.00	6.72	61	59½	59½	60	1240	69	54
Do. pref.	7	7.03	..	..	..	..	..	103½	98½
Brompton Pulp	..	....	34½	33	33	34	180	43	29
Laurentide	6	6.97	89	85	86½	88½	135	98½	84½
Price Bros.	2	4.49	44½	43	43	43½	822	45	40
Prov. Paper, com.	6	7.03	85½	84	85½	85	130	110	83
Do. pref.	7	6.97	..	..	..	..	..	97½	90
Smith, Howard, com.	4	12.50	35	31	32	39	325	75	31
Do. pref.	8	8.98	89	88	89	89	135	100	87
Spanish River, com.	7	6.29	111½	110	111½	110	5625	114½	96
Do. pref.	7	5.83	120½	119½	120	120	5246	120½	106½
St. Maurice Paper	6	6.66	..	..	..	..	..	113½	85
Wayagamack	..	....	37	37	37	36	95	46	32
Steel and Steel Industries—									
B. E. Steel, com.	..	....	2½	2⅛	2½	2	20	6	2
Do. 1st pref.	..	....	31½	31	31½	31½	150	57½	29
Do. 2nd pref.	..	....	9	8	8½	8½	163	17	7
Can. Car & Foundry, com.	..	....	47½	44½	47½	43	1605	50	36½
Do. pref.	7+1½	7.95	87½	84½	87½	85	536	97	83½
Can. Foundries, com.	..	....	..	..	..	..	..	31	19½
Do. pref.	..	....	..	..	..	..	..	45	45
Can. Locomotive, com.	4	6.06	..	..	..	..	..	67	65
Do. pref.	7	7.95	..	..	..	..	..	92½	85
Dominion Coal	..	....	45	45	45	40½	15	81	40
Dominion Iron, pref.	..	....	29	29	29	29	10	57	29
Dominion Radiator	7	7.07	..	..	..	..	..	99	94
Dominion Bridge	4	5.71	70	68	70	69½	18	80	60
Dom. Steel Corp., pref.	..	....	..	..	..	..	..	73	38
N.S. Steel, com.	..	....	..	..	..	..	..	7½	7½
Ontario Steel, com.	4	10.25	39	39	39	39	5	45½	39
Do. pref.	7	8.11	..	..	..	..	..	93	88
Canada Iron, com.	..	....	8	8	8	8	104	8	5½
Do. pref.	..	....	30	30	30	30	104	30½	25½
Steel of Canada, com.	7	9.21	76½	75½	76	76	200	83	69½
Do. pref.	7	6.66	105½	105	105½	104	215	105½	99½
Milling—									
Canada Bread, com.	4	4.84	82½	81	82½	80	195	82½	63
Do. pref.	7	7.03	100	99½	100	99	89	100	95
Inter. Milling, pref.	7	7.40	94½	94	94½	94	98	96½	93
Lake of Woods, com.	12	6.38	188	185	185	186	141	186	167
Do. pref.	7	5.88	120	120	120	119	10	120	115½
Maple Leaf, com.	..	....	80	77	80	75½	50	80	59
Do. pref.	7	7.14	98	97	98	98	19	98½	87
Ogilvie Flour, com.	12	3.87	310	310	310	320	5	335	304
Do. pref.	7	5.83	..	..	..	..	..	120½	116
Shredded Wheat, com.	8+1	6.47	139	139	139	136½	44	139	135
St. Law. Flour, com.	6	8.05	74½	74½	74½	75	50	75	66½
Do. pref.	7	7.48	95	95½	93½	95	19	95	89
West. Can. Flour	8	7.52	..	..	..	..	..	106½	98
Utilities—									
Bell Telephone	8	5.92	135½	134	135	134	337	134½	125
Consumers Gas	10	5.97	167½	167	167½	166½	9	169	159
Dom. Telegraph	6	6.74	..	..	..	..	..	44½	43
Kaministiquia	8	8.24	97	96	96	97	90	113½	97
Mackay, com.	7	6.06	116	115	115½	116	177	120½	102½
Do. pref.	4	5.94	67½	67	67	67½	124	71½	65
Mexican Light, com.	..	....	..	..	..	..	..	20	18
Do. pref.	..	....	..	..	..	..	..	40	38
Montreal L. H. & Pr. Cons.	7	4.00	175	174½	174½	174½	470	176½	140½
Montreal Telegraph	8	6.20	..	..	..	..	..	52½	48
Ottawa L. H. & Pr.	6	6.52	100	92	92	92	30	100	91
Quebec Power, com.	..	....	94½	93½	94	95	347	95	64
Do. pref.	7	6.73	..	..	..	..	..	104	90
Shawinigan	7	5.20	136½	134½	135	136½	444	137½	118½
Southern Can. Power	1.00	....	71	70	70	71	627	71	51½
Transportation—									
Canadian Pacific Rly.	10	6.66	150	149½	149½	149½	54	154½	147½
Canada Steamships, com.	..	....	12½	11½	12	12½	135	16	10
Do. pref.	..	....	47½	45	47	47½	262	51	41½
Tractions—									
Barcelona	..	....	16	14	14	14½	200	20	12½
Brazilian	4	8.55	47½	46½	47½	46½	1188	53½	41½
Detroit Un. Rly.	..	....	..	..	..	..	..	72½	25
Duluth-Superior	..	....	25	25	25	25	37	35	19½
Illinois Traction, com.	2	....	..	..	..	..	..	103	60
Do. pref.	6	6.46	92½	92½	92½	94	25	94	87
Montreal Trams.	10	5.92	168½	168½	168½	171	8	171	148
Ottawa Traction	4	6.66	..	..	..	..	..	60	30
Porto Rico Rlys., com.	..	....	30	30	30	27	195	30	17
Do. pref.	7	9.18	..	..	..	..	..	78	66
Quebec Rly.	..	....	..	..	..	..	..	18½	14½
Toronto Railway	..	....	98½	98	98½	98½	719	100½	80
Twin City, com.	4	8.42	47½	47	47½	47½	55	79	45
Winnipeg Elec. com.	..	....	36	35	36	36	329	36½	24
Do. pref.	7	8.00	87½	86	86	86½	130	87½	75
Textiles—									
Can. Conn. Cotton, pref.	8	....	..	..	..	..	..	80	53½
Can. Converters	7	9.09	78	78	78	78	1	80	70
Can. Cottons, com.	8	8.08	..	..	..	..	..	111	85½
Do. pref.	6	6.66	..	..	..	..	..	91	86½
Can. Woollens, com.	..	....	..	..	..	..	..	7	5½
Do. pref.	..	....	..	..	..	..	..	41½	34
Dom. Textile, com.	4.00	6.55	61	60½	60½	61½	160	66	53½
Do. pref.	7	6.42	..	..	..	..	..	109½	104½
Monarch Knitting, com.	..	....	..	..	..	..	..	25	25
Do. pref.	7	9.85	..	..	..	..	..	82	65
Montreal Cotton, com.	6	6.59	90	90	90	91	25	100	89½
Do. pref.	7	6.66	105	105	105	107	51	107	104
Penmans, com.	8	5.38	148½	148	148½	148	110	165	134
Do. pref.	6	6.12	98	97½	97½	97½	20	98	92
Wabasso Cotton	4.00	8.00	..	..	..	..	..	72	47
General Industrials—									
American Salesbook, com.	5	....	36	36	36	36	5	47	36
Do. pref.	7	7.82	90	87	89½	88	65	95	85
Asbestos, com.	..	....	..	..	..	..	..	35	19
Do. pref.	6	8.95	67	66	66	68	30	70½	52
Atlantic Sugar, com.	..	....	..	..	..	..	..	21½	11
Do. pref.	..	....	38	38	38	41	25	51	32½
Bird & Son, pref.	7	8.75	..	..	..	..	..	89	80
B.C. Fishing	..	....	..	..	..	..	..	18	8
Burt, F. N., com	10	7.57	132	131	132	131½	75	137½	131
Do. pref.	7	5.34	..	..	..	..	..	136	131
Canada Cement, com.	6	6.87	88	86½	86½	88	247	93	83
Do. pref.	7	6.73	104½	103½	104	103½	79	108	102½
Cons. Rubber, pref.	7	7.77	..	..	..	..	..	90	73
Can. Gen. Electric, com	6	....	..	..	..	..	..	58½	52½
Do. pref.	7	6.25	56	56	56	55½	2	56½	51½
Can. Indust. Alcohol	10	....	35½	34½	35	35	2471	35½	26
Canadian Salt	8	7.37	108½	108½	108½	108½	9	115½	108½
Carr. Factories, com.	..	....	..	..	..	..	..	2¼	½
Do. pref.	..	....	..	..	..	..	..	17	15
City Dairy, com.	3	....	59	58	58½	58½	117	59	40½
Do. pref.	7	6.57	..	..	..	..	..	110	104
Crows' Nest Coal	6	12.76	..	..	..	..	..	51½	46
Cuban Can. Sugar, com.	..	....	7	7	7	7½	2	13	6
Do. pref.	..	....	40	40	40	40½	25	54	33
Dom. Canners, com.	..	....	35	34	35	34½	232	35½	20½
Do. pref.	7	7.95	89	88	89	88	11	90	82
Dominion Glass, com.	7	6.30	111½	111	111	112	300	113	110
Do. pref.	7	6.60	106	106	106	106	50	107	103
Dominion Stores, com.	1.00	....	..	..	..	..	..	30	24½
Do. pref.	8	8.98	..	..	..	..	..	92½	81
Davies, Wm. (A)	..	....	..	..	..	..	..	20	11½
Eastern Theatres, com.	..	....	..	..	..	..	..	14½	12
Do. pref.	7	10.29	..	..	..	..	..	70	67
Ford Motor	10	....	..	..	..	..	..	485	440
Goodwins, com.	..	....	..	..	..	..	..	48½	17
Do. pref.	7	10.00	..	..	..	..	..	95	69½
Goodyear Tire, pref.	7	9.33	75	75	75	75	5	81½	71
Frontenac Brew., com.	..	....	..	..	..	..	..	73½	60
Do. pref.	7	7.71	..	..	..	..	..	122	90
Holt, Renfrew, pref.	7	....	..	..	..	..	..	66	52
Interprov. Brick, com.	6	9.09	..	..	..	..	..	66½	66
King Ed. Hotel	..	....	..	..	..	..	..	21	21
Lyall Construction	..	....	..	..	..	..	..	21	10
Macdonald, A.	..	....	2	2	2	4	50	5	4
National Breweries, com.	4.00	7.08	57½	56	56	57½	465	58	48½
Do. pref.	7	6.86	..	..	..	..	..	102	99
Pacific Burt, com.	6	6.38	92	91½	92	92	20	101	91½
Do. pref.	7	6.73	..	..	..	..	..	106	100
Port Hope Sanitary, com.	..	....	..	..	..	..	..	50½	49
Do. pref.	7	7.77	..	..	..	..	..	90	90
Rogers, Wm. A. com.	..	....	..	..	..	..	..	70	45
Do. pref.	7+1½	7.60	..	..	..	..	..	100	86
Russell Motor, com.	..	....	..	..	..	..	..	18	17½
Do. pref.	7	14.00	..	..	..	..	..	56	48
Sherwin-Williams, com.	6	4.87	125½	122	123	123	470	128½	100
Do. pref.	7	6.93	..	..	..	..	..	103	98
Sterling Coal	4	8.98	44½	44	44½	43	20	44	40
Tooke Bros., pref.	..	....	..	..	..	..	..	40	38
Tuckett Tobacco, com.	4	6.78	..	..	..	..	..	64½	57
Do. pref.	7	7.25	..	..	..	..	..	97	92½
Woods Manufacturing, com.	..	....	..	..	..	..	..	35	25
Do. pref.	7	11.11	..	..	..	..	..	67	63
Trust and Loan—									
Canada Landed	10	6.25	80	80	80	79	3	86	78½
Can. Permanent	12	6.52	..	..	..	..	..	187	179
Colonial Invest.	6	....	..	..	..	..	..	7	4
Hamilton Prov.	10	6.89	..	..	..	..	..	146	141
Huron & Erie	7	5.69	..	..	..	..	..	125	120
Landed Banking	9	6.52	..	..	..	..	..	142	138
Montreal Loan	12	6.48	..	..	..	..	..	46½	46½
National Trust	12	5.66	212	212	212	212	10	215	210
Real Estate Loan	7	7.86	..	..	..	..	..	89	85
Toronto Gen. Trusts	12	5.74	..	..	..	..	..	210	202
Toronto Mortgage	10	5.86	..	..	..	..	..	25½	81½
Union Trust	7	8.23	..	..	..	..	..	85	84

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RAILWAYS SHOW BETTER EARNINGS FOR SEVEN MONTHS

Net Earnings of Both C.P.R. and C.N.R. Above 1923

C. P. R. made a sharp cut in operating cost in July and made a material improvement in net earnings, the figures for the seven months standing three million higher in gross and one million in net over 1923. At the same time the July net stands as the best since 1919. The figures:

July—	1924	1923	Inc.
Gr. ea..	$14,883,677	$15,677,835	$x 794,158
W'k. ex.	12,544,115	13,607,801	x1,063,686
Net pr.	$ 2,339,561	$2,070,034	$269,527
Seven mo.	1924	1923	Inc.
Gr. ea..	$99,540,594	$96,523,328	$3,017,265
W'k. ex.	86,810,947	84,886,834	1,924,013
Net pr..	$12,729,646	$11,636,394	$1,093,251

x—Two year comparison.

Gross and net earnings since Jan., 1923, by months follows:

	Gross	Net.
1924—		
July	$14,883,677	$2,339,561
June	15,135,633	2,459,649
May	14,426,679	1,726,460
April	13,806,121	1,754,917
March	14,812,927	2,510,798
Feruary	13,083,123	1,077,849
January	13,392,432	860,399
1923—		
December	19,136,672	3,956,127
November	22,244,319	6,110,470
October	23,769,733	8,160,988
September	17,745,908	4,497,971
August	16,417,124	3,117,058
July	15,677,835	2,070,034
June	14,943,918	2,422,000
May	14,355,538	1,998,247
April	13,651,494	1,950,879
March	13,585,762	1,979,713
February	11,159,864	495,493
January	13,148,914	720,026

C. N. R. Costs Higher

Canadian National Railway gross were lower by $837,738 or 4 per cent., while costs were up $55,801 or 0.3 per cent., or a total net earning decline of $893,539. Seven months' figures show a decline of $1,889,731 or 1.4 per cent.

July—	1924	1923
Gross	$19,986,670	$20,824,408
Oper. expenses	19,401,419	19,345,618
Net	585,251	1,478,790
Seven months—		
Gross	134,849,228	136,738,959
Oper. expenses	131,634,547	133,668,812
Net	3,214,687	3,070,147

The British Capitalists Think Rake-Off Too Big

WINNIPEG.—"British financiers have certainly, in my opinion, the wish to invest in Canada, but they are a little frightened, or so it seems to me, that too large a part of their money will not go into the development of the country. In their opinion there have been too many large rakeoffs in the past. As for exchange conditions being against such investments, I do not think these will act as deterrents."

These statements were made by Sir William Jones, who was British fuel controller during the war, and who attended the British Association's convention at Toronto.

"Many people in the United Kingdom," said Sir William, "consider the Labor government is making a great error in not encouraging reciprocity between all parts of the empire. I am quite convinced that there should be reciprocity between every unit of our empire. Our empire could be made a self-contained one, and it is in this way, and this way alone, that its future is assured. We can produce everything we want in some part of the Empire and it seems suicidal for any British government to be anything but favorable to such reciprocity."

Iron and Steel

BETTER CONDITIONS IN MARITIMES ARE REPORTED AS NEAR

Steel Plant Expected to Reopen—Mines Doing Better

From Our Own Correspondent.

SYDNEY.—Industrial outlook in Cape Breton is brighter. D. Macgillivray, Maritime district superintendent of the Canadian Bank of Commerce, recently warned the business men of Sydney to be ready for an industrial boom which may equal or surpass that of the years 1900-1905. Construction gangs are rushing work on the installation of Besco's new blooming mill engine, and this is taken locally as an indication that business is in sight for which it is desired to have the mills going at the earliest possible date. It is expected that employment will pick up as soon as this engine is installed, and November 15 is mentioned as the date by which the plant can be expected to operate on a normal basis. Meanwhile, between 800 and 1,000 of the normal force of 3,700 are working.

Steadier work is also available at the corporation's coal mines, and it is expected that the coal situation will improve steadily from now on, due to colder weather and the beginning of the fall demand for domestic and factory fuel. Scotia shipping shows considerable activity. There are about 50,000 tons in the general bank at Glace Bay, and about 50,000 at Sydney. These big heaps are disappearing rapidly. With a view to improving its mining methods, Besco has invited G. S. Rice, of the Department of Mines, Washington, to inspect its pits, particularly at Springhill, where it is hoped he can devise some means of getting rid of the dangerous "bumps" or twisting of the tunnels under heavy pressure of earth from the top and sides. At the Allan shaft, Stellarton, where a minor explosion recently occurred, the fire has been conquered, and the gas fanned out of the mine, which will soon be working again as usual.

Steel Stocks Discount Business Improvement

Steel of Canada Preferred is back to within a fraction of the high point of 105½ made last March when there was considerable optimism abroad in regard to the business outlook. Brokers say there is no special news; that the market is just discounting a general improvement in the steel industry this fall. This week Steel of Canada preferred sold up rapidly to 105¼, as compared with par late in July. The common has also strengthened from a low of 70 in July to 76, which is still considerably below the March high of 81. Dominion Bridge is another of the steel group to move up, selling at 70 now, compared with 65 in June, while Canada Car advanced from 40 to the present level of 47½ in less than a month.

Can. Locomotive Builds Biggest Engine in Empire

Canadian Locomotive Works at Kingston has just completed the erection of the largest locomotive in the British Empire. It is one of five being built for the C. N. R. They are designed for freight work, are 92 feet long, and have ten drive wheels, as well as the "booster" attachment which gives additional traction power. On a level track it is estimated that it will pull 150 loaded freight cars. The vertical type tender has given way to a new kind, round in appearance.

Buffalo report says Morey C. Bartholomew, of Buffalo, appointed receiver of L. R. Steel Co., and subsidiaries, succeeding resigning receivers.

LAKE SUPERIOR CORP. WILL REDUCE BONDS

First Move Made in Effort to Put Through Extensive Refinancing Plans

Lake Superior Corp. would extend the maturity of 20-year income bonds, due Oct 1, 1924, to Oct. 1, 1929. Bondholders are asked to agree to this to enable carrying forward the refinancing plans of the corporation, which have been in the air for some considerable time. The plan is to immediately reduce the amount of income bonds outstanding by $500,000 to $2,500,000.

The major portion of this bond issue is held in the United States, and the holders are quite interested in the effort being made to refinance. While interest centres around Algoma Steel Corp., the chief subsidiary, refinancing plans also extend to Algoma Eastern and Central railways, and the company's local subsidiary as well. Behind the whole move, however, is a desire to place the large sheet plant at The Soo on a basis that it could be operated the year round. At present its different units are somewhat out of balance, and also limited in variety of output. It is believed that certain changes in the plant, especially the installation of equipment for the manufacture of structural steel, would go a long way to remove the present seasonal trend of operation. In regard to the railways, Algoma Eastern has always met its interest, but Algoma Central is far behind. As there are possibilities of iron ore development, which would boost the earnings of this road, there is a desire to have this interest situation cleaned up. Most of the bonds of the railway are held in England. The official announcement sent shareholders says:

"Immediate concerted action is essential to the preservation of the rights of the bondholders, pending the refinancing of Algoma Steel Corp., Ltd., which is the principal subsidiary of the Lake Superior Corp. For that reason the time for the depositing of the bonds is limited to Nov. 1, 1924."

CONSTRUCTION, LONG DELAYED, STARTED

August Contracts Awarded Show Considerable Increase Over Previous Month

Construction in Canada is on the upswing. August contracts, totalling $26,664,500, were higher than July which totalled $23,818,400. On the other hand the eight month total finds 1924 materially behind 1923 and even 1922, the figures being: 1922, $184,333,700; 1923, $223,654,400 and $1924, $179,206,000.

There are evidences everywhere that a revival of general business activity is at hand. Such a situation would be a powerful factor tending to check the decline in building. Increasing industrial activity would obviously increase the demand for industrial construction and steady employment with resultant better wages would increase the demand for residences, says MacLean's Reports in discussing the situation. They find that building costs are materially lower than the after the war years, though still well above pre-war years. The figures on these, taking 1913 index at 100 are as follows: 1920, 215; 1921, 183; 1922, 162 and July, 1924, 155.1 and Aug., 155. The high mark was April, 1920, 229.4 and July and August figures represent a decline of 32 per cent. Efficient labor is advanced as a partial explanation of falling costs.

Building projects which have been waiting for years for a level which would make the construction of profitable buildings possible, are now coming out. Considerable money is to be saved by letting contracts this fall and starting work in time to have the building enclosed before severe weather, thereby enabling the building to be completed and ready for use next spring.

Low Tariffs on Steel Products Will Never Develop Our Iron Ore

The Halifax Herald draws attention to some figures which are very illuminating, in view of the Premier's statement that "only by the increase of wealth extracted from the natural resources of the country could the public debt be lessened. Only in this way was taxation to be decreased, the railway problem solved and immigrants attracted to the country." The paper quotes from a report of the Mines Branch at Ottawa issued in 1913 in which it was stated that Canadian furnaces continued to be operated almost entirely on imported ores, and that Canadian iron and steel plants supply probably less than 30 per cent. of the present consumption of Canada.

It is stated by the Herald that for the year 1923 the facts are that Canadian furnaces are operated entirely on imported ores, that Canadian plants supply not more than 18 per cent. of the present consumption of iron and steel in Canada, and that the record so far for this years is even worse. Figures show that pig-iron made in Canada in 1913 totalled 1,129,000 tons. In 1923, the total was 880,000 tons. Out of 22 completed blast-furnaces recorded in 1913, only six furnaces were in blast during 1923, and at this date only four furnaces are in operation, with prospects that the number is to be still further reduced. No Canadian iron ore was mined during 1923, or is being mined at this date. The only point where Canadian-mined coal is being used in smelting iron ores is Sydney, Nova Scotia, in which case also the ore comes from Newfoundland and is, therefore, of British origin.

Dr. Camsell, Deputy Minister of Mines, at Ottawa, recently stated to an audience of Canadian engineers that, on goods of mineral origin alone, Canada's purchases abroad in 1923 exceeded her sales by $228,000,000. This deficit was in greater part caused by importations of iron and steel, and by importations of coal and iron ore as raw materials in Canadian plants. Can it be wondered at that Dr. Camsell described this deficit as "almost staggering."

The Kingston Standard says: We could quote a lot more interesting facts. But it will be asked, what is the cause of all this? The answer is plainly given by the Herald, and no one can dispute it. It is that the tendency of tariff legislation has been to lessen the duty upon, and to free entirely from duty, iron and steel products which are used as raw materials and subjected to further fabrication in Canada. The protection on pig-iron and steel billets is the same to-day as it was when these materials sold at half their present quoted prices in the United States, which is to say that protection is reduced fifty per cent. It is evident that this is no way in which to "increase the wealth extracted from the natural resources of the country" and so on, of which the Premier talks so glibly. When the Knell of Protection is finally rung in Canada, the bell to do it will have to be made out of imported ore.

NATIONAL TRUST IS TAKING OVER THE MERCANTILE

Offer is One Share of Stock For Two and $15 Bonus

The proposal of the National Trust Co. to purchase the business, assets and goodwill of the Mercantile Trust Co. of Hamilton, will mean an addition in assets of the Toronto company of $8,500,000 to the total of $126,000,000 shown in the annual report to December 31, last. Special meetings of the shareholders of both the National Trust Co., and the Mercantile Trust Co., have been called and will be held in October when the provisional agreement entered into between the directors of the two companies will be submitted for approval.

The consideration to be paid to shareholders of the Mercantile Trust Co., by the National Trust Co., is one share of National Trust stock for two shares of Mercantile Trust stock plus a cash bonus of $15 for each of Mercantile Trust stock. A careful examination and valuation of the assets, business, books and records of the Mercantile Trust Co., has been made by officers of the National Trust Co., and it is with regard to this examination and valuation that the basis for the purchase of the assets and business has been arrived at. The Mercantile Trust Co., was organized in 1907. It has a paid up capital of $500,000 and a reserve of $150,000 while the assets under administration aggregate $8,451,776.

The Market Values

Last sales of National Trust Co., stock executed a few days ago were at $212 a share. On the exchange basis proposed in the purchase agreement this would mean $121 for each share of Mercantile Trust stock. Mercantile shares are not listed, but recent unlisted quotations have indicated 100 bid with no offerings.

The circular sent out to the shareholders of the Mercantile Co. by the directors says:

"Under modern conditions a trust company, in order to prosper and extend its business, must operate in a wide field, as the remuneration for fiduciary or trust work is small. The company must have a capital sufficiently large to command confidence and attract funds, and must possess facilities for prompt and safe investment. The leading trust companies of Canada have their head offices in the larger cities and recognized financial centres and have established branches in various sections of the Dominion, and they are thus able to derive earnings from a wide variety of activities and services.

"After giving these matters the most serious thought and consideration, your directors some time ago came to the conclusion that it would be in the interests not only of the shareholders but also of the clients of the company to make arrangements with some large company, whose financial position was assured, to take over its business and assets, and with such object in view negotiations were commenced with the National Trust Company, Limited.

"With an assured business and such facilities, The National Trust Company is able to conduct its operations at a reduced percentage of cost and with great benefit and advantage to the shareholders and clients of the company. The net profits of the National Trust Company have enabled its board of directors to pay a dividend of 12 per cent. per annum upon its capital stock for some years past.

"A committee of your directors with Mr. C. S. Scott, auditor of the company, have made a very careful inspection of the business and assets of the National Trust Company. They have verified the statements contained in the last annual report of the company, a copy of which is enclosed herewith. They are of the opinion that the shares of the National Trust Company are worth intrinsically more than their listed quotation on the Toronto stock exchange."

It is the intention of the National Trust Co., to continue the office of the Mercantile Co., in Hamilton as one of its own offices thereby adding another branch to those which the company already has in Toronto, Montreal, Winnipeg, Saskatoon, Edmonton and London, England. Representatives of the present shareholders of the Mercantile Co., will be added to the board of directors of the National Co.

WANTS CANADIAN PRODUCTS DIRECT NOT BY NEW YORK

(Continued from page 1)

League of Nations on ample and just foundations, its presence in it, and its constant, close and cordial relations with the peoples that form it, may be offensive to the United States, but is for us, for all of us, a guarantee and a factor of independence; that it is there where there may be for us an effective safeguard, as there may also be in the Latin American Union; and that never, never would we accept Pan-Americanism with a character of exclusion or separation from any great Power distinct from the United States, but only at most as a formula of collaboration in the sense of progress, never as a chain that might bind us to the international policy of the White House.

Question of Transportation

The point to be particularly emphasized to the government is that while the markets are there, and the people need and desire Canadian products, it is necessary to establish direct avenues of transportation if these products are not to be secured through New York. The extension of the Government Merchant Marine to the countries mentioned, and the establishment of other necessary trade facilities are urged. The southern visitors emphasize to Canadian manufacturers and others interested in the development of export business the importance of getting acquainted with the people of the Latin republics of South America, and studying the business opportunities and possibilities for industrial development. They suggest tours by industrial and commercial organizations, which they say will be well received by the chambers of commerce organized at all the important ports of call. Not only are there opportunities for selling manufactured and natural products but, as has previously been outlined in THE FINANCIAL POST, there are also opportunities for capital in the development of electric power and other utilities, and the establishment of new industries to develop the national resources of these countries which produce mahogany, satinwood, pine, cedar and many other fine decorative woods; sugar, cocoa, hides, rubber, coffee, oil, asphalt, tanning materials, etc., etc.

"It is a big opportunity, and it is now," said Mr. Baiz in urging that steps should also be taken by Canadian exporters to have their products displayed in the various markets. These people buy largely on suggestion, and it is important that they become acquainted with what Canada has to sell, he points out.

The Wabasso Cotton Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns

Woods Manufacturing Company, Limited

Jute and Cotton Bags
Hessians, Buckrams
Paddings and Twine
Tents
Flags
Tarpaulins
Clothing and Cotton Fabrics

FACTORIES AT MONTREAL, TORONTO, OTTAWA WINNIPEG, WELLAND

HEAD OFFICE MONTREAL

Dominion Textile Company LIMITED

Manufacturers of COTTON FABRIC

MONTREAL TORONTO WINNIPEG

Atlantic Sugar Refineries LIMITED

General Offices: 211 McGILL STREET MONTREAL

Refineries - St. John, N.B.

MAPLE LEAF BRAND ALCOHOL

HIGHEST QUALITY—BEST SERVICE

Ethyl Alcohol—Cologne Spirits
Denatured Alcohol (All formulae)

CANADIAN INDUSTRIAL ALCOHOL COMPANY LIMITED TRADE MARK

Canadian Industrial Alcohol Co. Limited MONTREAL

Distributing Warehouses
Montreal, Toronto, Winnipeg, Vancouver

P. Lyall & Sons Construction Company, Limited

Toronto - Montreal - Ottawa

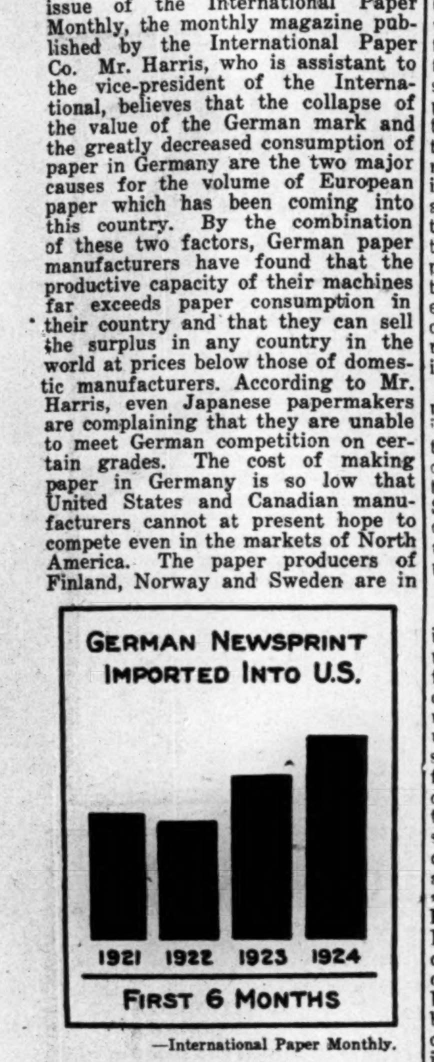
Pulp and Paper

GERMAN PAPER IS DEMORALIZING WORLD MARKETS

Can Sell at Low Prices Because of Slump in Mark

From Our Own Correspondent.

NEW YORK.—That Germany is the centre of the present demoralized conditions in the paper marts of the world, is the statement made by F. T. Harris, writing in the September issue of the International Paper Monthly, the monthly magazine published by the International Paper Co. Mr. Harris, who is assistant to the vice-president of the International, believes that the collapse of the value of the German mark and the greatly decreased consumption of paper in Germany are the two major causes for the volume of European paper which has been coming into this country. By the combination of these two factors, German paper manufacturers have found that the productive capacity of their machines far exceeds paper consumption in their country and that they can sell the surplus in any country in the world at prices below those of domestic manufacturers. According to Mr. Harris, even Japanese papermakers are complaining that they are unable to meet German competition on certain grades. The cost of making paper in Germany is so low that United States and Canadian manufacturers cannot at present hope to compete even in the markets of North America. The paper producers of Finland, Norway and Sweden are in much the same position so far as their foreign trade is concerned; their trade is being captured by the Germans. Mr. Harris says:



—International Paper Monthly.

> "Germany is thus the very centre of demoralized conditions in the paper marts of the world. With its people consuming but one-tenth of the amount of paper they normally use, and with wages, on a gold basis, less than one-quarter of those paid in American paper mills, Germany has found itself in an exceptionally advantageous position to invade American markets. Not only are wages low, but all other items entering into the cost of making paper are correspondingly less. Then, too, paper manufacturers in unoccupied Germany since April 28, have had the benefit of preferential railway rates on goods destined for export to overseas countries. This means that inland freight rates to exporters will be reduced approximately 30 per cent., and it is believed that this step will still further improve Germany's position in overseas markets."

Mr. Harris claims to have evidence that Germany is preparing for an even greater absorption of the trade of the world.

In commenting upon the chart which accompanies this article, Mr. Harris says that during the first six months of the current year the United States imported 25,994 tons of newsprint alone from Germany. During the same six months of 1923 only 22,674 tons were imported from the same source. The total in 1922 was 14,841 tons and in 1921, 16,583.

Production of paper in Germany, Mr. Harris says, has been increasing recently. The average production of all grades of paper in 1923 was 130,292 tons. For the first five months of the current year it averaged 145,226 tons. In January of this year, Germany made 118,973 tons of paper. Production increased steadily until May, when 169,020 tons of paper were produced.

Predicting further cuts in the price of German paper, Mr. Harris says:

> "A further reduction in prices for raw materials paid by German paper manufacturers is expected as a result of the continued embargo on credit by the Reichsbank, and this in turn will operate to encourage a larger volume of exports. On January 10, 1925, Article 264 of the Treaty of Peace will automatically lapse. This article granted to all signatories of the treaty the favor of one-sided most-favored-nation treatment by Germany in commercial treaties. It is expected that Germany will employ the time until next January in preparing a new and more active commercial policy in a new series of commercial treaties. The chief object will be, of course, the stimulation of exports. It is suggested in German industrial circles that in addition to most-favored-nation treatment Germany should ask for guarantees that it should be allowed to export certain definite minimum quantities to any particular country. Germany holds an advantageous position with regard to transit traffic, owing to its position in Central Europe, and it may take advantage of this fact to secure liberal freight concessions on its products.
>
> In addition to the paper which Germany has sent in, the United States received during the first six months of this year, 18,947 tons of newsprint from Finland; 5,000 tons from Norway; 20,854 tons from Sweden; and 1,557 tons from other overseas countries. This was an aggregate tonnage of 72,352 tons, all of which came in free of duty.
>
> The quantity of paper which came in during the first six months of this year from overseas averaged 464 tons for every working day in that period."

THREE NEWSPRINT STOCKS THAT ARE SAID TO BE CHEAP

Sizing up the Market For Spanish, Belgo and Price Bros.

From Our Own Correspondent.

MONTREAL.—Recently an American paper man delivered an address in which he made the remark that a 100 ton newsprint paper mill represented an investment of about $5,000,000, while another $5,000,000 would have to be invested to give the mill the necessary reserves of timber and power and to build townsites, and other extras apart from the plant itself. He indicated that about the same average would follow through in the case of newsprint mills of larger capacity—that the investment in mills would represent about $50,000 a ton of daily production and in forests, mill, and everything, about $100,000 a ton of daily production. One would assume from this that mill ought to be able to earn a fair return on an investment of that amount and be able to pay reasonable dividends on any capitalization within the $100,000 mark.

In the case of the Canadian newsprint leaders, none of the mills have invested any such figure, and it is this ability to produce paper with a capital investment much less than that required for mills in the United States, coupled with lower costs in other directions, that has given Canadian mills supremacy in the newsprint paper industry.

Can Mills be Compared?

The Canadian mills vary in their investment and their capitalization per ton. This suggests a question for the investor; is it possible, by a comparison of the valuation the stock market has put to date on each company, to figure out which newsprint securities have the best prospects for advancement? Putting the half a dozen leading newsprint producers to this test there are three newsprint stocks that stand out as offering excellent prospects for profit as well as satisfactory return to the investor at the present time. These are Belgo, Price Brothers, and Spanish River. Belgo's stock is not listed, but the common can be purchased in small quantities at around $80 a share. Price Brothers and Spanish River are both listed, and while each has shown considerable advance of late, there is every reason to believe that the real future of the companies has not yet been discounted in the prices at which their shares are selling, and that, disregarding temporary fluctuations in market value, these stocks will in time sell at well above their present levels.

Spanish River Paper

Spanish River's excellent statement of a week ago must have been exceedingly satisfying to shareholders. It showed clearly the position to which the expansion of newsprint consumption has brought this company. Once a feeble struggler against the rigors of American competition, it is now a giant in the industry, and prosperous beyond the best dreams of those who stuck with the company through the thick and thin of its early days. This has meant a great advance in its shares, and many people have wondered if the advance could continue. The shares are now selling almost at the peak; Spanish is the one stock that has recovered all the ground lost after the relapse from the peak in 1920. Can the stock continue upwards?

Taking all of Spanish River's outstanding securities at around their present market value, the stock market has placed a valuation of about $43,000 to $45,000 per ton on Spanish River. The spread allows for any differences of opinion as to whether Spanish's capacity should be taken at its rated figure of 680 tons per day, or at the figure of 700 tons per day that has been reached most of the time, and as to whether or not outstanding short term notes should be included as securities outstanding. This is the lowest figure of any Canadian newsprint company. It compares with $70,000 a ton for Laurentide, $54,000 for Abitibi and $78 000 for St. Maurice. If Spanish were a high cost mill; if its wood, its labor, its power, its coal, and other items of cost, were higher than in other mills, then there would be justification for placing a lower capital valuation on the company. But Spanish is a fairly low-cost producer.

Has Big Timber Limits

Another thing must be considered about Spanish. It has not reached the possible limit of its productive capacity, although the directors are unlikely to increase this capacity without much serious thought. Spanish has around 20.000 square miles of timber limits. This is a few thousand miles larger than the figure generally given for Spanish, but the company has been adding to its limits quietly, and this figure is not far out. This would make a strip of timber land six miles wide from Halifax to Vancouver. It gives Spanish the largest area of timber lands owned by any company. This assurance of long life for the company is a factor of strength.

These factors, and Spanish's proven earning power, are the reasons many people think Spanish—even at present prices—is selling out of line.

Price Brothers

Price Brothers, too, has come in for some attention recently. Its real potentialities as a newsprint producer have not been generally recognized but are now attracting the study of investors. Price Brothers outstanding securities have a market valuation of $57,000 a ton, based on present production. Further securities will be issued to pay for the additional 400 tons of production to be installed in the next two years, but about the same ratio should be maintained or even reduced. In arriving at this figure, nothing whatever has been allowed for the fact that Price Brothers is a large producer of lumber. The whole capitalization has been charged against its newsprint output.

Two points must not be overlooked concerning Price Brothers. It has large and well-located timber reserves. It has not reached the limit of its expansion, because of pulpwood shortage. The second point is that it buys its power at exceptionally low cost. The new Duke-Price development has given Price Brothers power at a rate that will mean extra profits of a few dollars on every ton of newsprint produced. Price Brothers, it is felt by many who have been studying the stock recently, is also out of line.

Belgo is Not Yet Listed

Belgo is not so widely known, because while the preferred shares have been widely distributed, the common has been fairly closely held. Shares are dealt in to some degree, and are likely to be listed in time. No dividend is being paid on the common, but earnings are running in the neighborhood of twenty per cent. on the common. There should be little difficulty maintaining earnings around this level, though conservative accounting may indicate a lower level of earnings. But if earnings are on this basis, as is reported from reliable sources, the shares at well under par do not seem to have fully discounted the possibilities ahead of the stock.

Overlooking for the moment the fact that there is a big difference between the newsprint production costs of the various mills, the following figures are of interest in comparing the different newsprint shares:

Abitibi

To pay bond interest and present dividend of $4, Abitibi must earn, per ton	$12
To pay $6, must earn, per ton	15
Last statement showed, after depreciation	22

This is the highest net profit shown by any company and stamps Abitibi as a low-cost producer.

Belgo

To pay interest, preferred dividend and start common off at 4 per cent., Belgo must earn, per ton	$ 6
To pay 6 per cent., must earn	10
To pay 8 per cent., must earn	13
Present earnings, probably about	20

This is figured on actual output, not capacity.

Laurentide

To maintain present dividend takes, per ton	$12
1924 statement showed a little over	13

Allowance has been made for $400,000 of power revenue.

Price Brothers

To pay bond interest and present dividend, Price Brothers must earn, per ton	$ 9.50
To double dividend, earn	15.00
Last statement showed, per ton	15.00

This assumes that lumber business only broke even. Larger output and larger bond issue will alter figures.

Spanish River

To pay present dividend bond interest and present dividends of 7 per cent. on common and preferred as well as proportion of dividends to bondholders takes, per ton	$10.00
To pay 10 per cent. on both	13.50
Spanish earned in 1924, after depreciation, about, per ton	16.00

Paper Mill Bigger Thing Than Most People Think

A paper mill is much more of an establishment than is conceived by the casual reader of the newspaper. Paper mills follow the supplies of accessible pulp wood and abundant water power; for without them cheap paper and cheap newspapers are impossible. Incidentally, it may be remarked that a typical newsprint mill, among many other things, requires 100 horsepower, 1 ton of coal and 100,000 gallons of water per ton of daily capacity of newsprint paper production. Among other items, one of the large Canadian mills last year received 2,052 carloads of coal, 172 cars of limestone rock, 148 cars of sulphur, 88 cars of alum and 24 cars of lubricating oil.

Washington's Error in Newsprint Statistics

An error in the figures of American newsprint importations from Germany as supplied by the department of commerce, and presented by THE FINANCIAL POST in a report from Washington in the issue of August 22, is brought out by R. S. Kellogg, secretary, of the Newsprint Service Bureau, 342 Madison Ave., New York City. According to Mr. Kellogg's figures the importations of newsprint from Germany into the United States for 1922 and 1923 were only one-tenth of those indicated in the Washington Bureau's report. For 1922 the Newsprint Service Bureau puts the total at 32,838 tons as compared with 328,229 tons reported by Washington, while the 1923 figures are given at 52,290 tons compared with 509,830 tons by Washington. These figures compare with 10,534 tons of newsprint imported by the U. S. from Germany in 1913.

LAURENTIDE

Laurentide's "wood pile" is growing apace. One of the biggest drives in recent years is in the river and a large amount of wood has been brought in on the railway. There will be wood brought down from now until the middle of October and there is little doubt that the pile when it is finally covered with its winter blanket of snow will equal in size the big pile of 1921, the biggest in the history of the company. There is at present over 90,000 cords in the pile and the 1921 pile contained 115,000 cords.

The dimensions of the pile bring home that a small proportion of the labor of making a ton of newsprint is done in Grand'Mere. Two or three thousand men and a thousand horses are at work in the woods in the winter, when a big cut is made.

EXPECT MANY BIDS AT RIORDON SALE

Big Transactions Due for Next Week When Liquidators' Sale is on the Boards

From Our Own Correspondent.

MONTREAL. — American pulp and paper men have taken such an interest in the foreclosure sale of Riordon properties that it would not be surprising to see some extensive bidding for the different parcels at the judicial sale next Monday, September 8.

The Kipawa sulphite mill is expected to attract some competitive bidding. The mill was built only a few years ago and is designed to allow for considerable expansion in sulphite producing equipment. An American paper mill journal indicates that several American paper mills are considering bidding for the property in order to insure themselves of a continuous supply of low-cost pulp.

The properties that are up for sale can be briefly summarized as follows:

1. MILLS:
   - Kipawa mill—50,000 tons bleached sulphite pulp.
   - Hawkesbury mill—40,000 tons bleached sulphite pulp.
   - Merritton mill—9,000 tons bleached sulphite pulp.
   - Calumet sawmill—15,000,000 feet of rough lumber.
2. TIMBER LIMITS:
   - Quinze limits—2,500 square miles—tributary to the Kipawa mill.
   - Rouge limits—1,100 square miles—tributary to the Hawkesbury mill.
   - Dominion Bank limits—400 sq. miles in the Gatineau River watershed.
3. INTERESTS IN THE GATINEAU COMPANY, INCLUDING ENTIRE CAPITAL STOCK:
   - The Gatineau Company properties consist of a large undeveloped waterpower near the mouth of the Gatineau River, three sawmills of an approximate annual capacity of 75,000,000 feet of rough lumber, and approximately 5,400 miles of timber limits (held under Crown License) tributary to the power and to the saw mills.
4. TICONDEROGA STOCK:
   - 2,424 shares out of a total issue of 4,000 shares of the capital stock of the Ticonderoga Pulp & Paper Company, whose mills are at Ticonderoga, New York.
5. ALL CURRENT ASSETS, MISCELLANEOUS PROPERTIES AND WATER POWERS.

The Kipawa and Hawkesbury mills produce the highest grades of bleached sulphite pulp manufactured. A relatively small expenditure on the Kipawa mill will increase its capacity to 65,000 tons per annum. The waterpowers of the Riordon and Gatineau companies are among the most valuable in Canada, and the Gatineau timber limits comprise the largest and best undeveloped pulpwood limits under single ownership in Canada.

The mill at Merritton is equipped with four digesters and three wet machines, and is capable of turning out thirty tons of bleached sulphite daily.

The mill at Hawkesbury is equipped with seven digesters, three drying machines and three wet machines capable of producing daily 125 tons of bleached sulphite pulp and 30 tons of easy bleaching pulp.

The mill of the Ticonderoga Pulp and Paper Company at Ticonderoga, N.Y., stock which is to be offered for sale, is a mighty fine book paper mill, comprising two plants, one of which, the Lower Mill, is equipped with eleven beating and two Jordan engines and two Fourdrinier machines trimming 78 inches and 84 inches respectively. This mill makes 20 tons daily of book, coating, magazine and writing papers. The Island Mill has ten beating and four Jordan engines, and two Fourdrinier machines trimming 93 inches and 116 inches respectively. This mill is capable of turning out 32 tons daily of book, coating, lithograph and magazine papers. The Soda Pulp Mill at Ticonderoga is equipped with eight digesters, and one drying machine. This mill has a capacity of 60 tons of soda fibre daily.

Spanish River Brings Paper Down by Water

Water-borne shipments of newsprint in rolls from the West are now being made to Toronto by the Spanish River Pulp and Paper Mills from their plant at Espanola. This marks a new epoch in paper transportation so far as Toronto is concerned. Cargoes of sheet news have been received by boat from the East, but never has a big shipment of roll-paper come in other than by rail haul.

The large steel vessel Wahcondah, belonging to the Union Transit Company of Toronto, arrived recently, laden with nearly 1,200 tons of newsprint for the Star and the Telegram. The paper was loaded at Little Current after a 36-mile rail haul in box cars by the Algoma Central from Espanola. The distance by water from the north shore of Georgian Bay through the Great Lakes and the Welland Canal to Toronto is about 550 miles, and the journey was made in three days.

The Wahcondah has carried large shipments of newsprint to Detroit, Chicago and other cities, but the recent arrival opens up a new means of transportation, so far as Toronto consumers of newsprint are concerned, and effects a considerable saving in freight.

COURTAULD'S LIMITED

The establishment of a Canadian plant for Courtauld's, Limited, gives interest to a recent discussion of a British banking house on this firm. It was pointed out that an industry which is rapidly developing into one of first-class importance, is that of artificial silk. The solid success of Courtauld's has seldom been equalled by the creations of a Mining or a Rubber boom. The trade in artificial silk has expanded remarkably during the past few years, not only in knitting silk, but in piece goods. A great variety of colours and qualities are now available and the beauty, the utility and the cheapness of the articles are rapidly giving it preeminence over other textiles used for dress materials and underwear. So great is the demand, that British manufacturers cannot cope with it and large quantities are imported from the Continent. For June alone, the imports were £364,000, whilst for the first six months of this year the value of the imports was £2,136,000.

FOUR STEAMERS FOR TORONTO

Eastern Steamship Co., Toronto, has placed an order in Hull, England, for four steamers of 2,500 tons dead weight.

THE ROYAL BANK OF CANADA
Statement to the
Dominion Government (Condensed)
July 31, 1924.
Head Office
MONTREAL

LIABILITIES.	
Capital Paid up	$ 20,400,000.00
Reserve Fund	20,400,000.00
Undivided Profits	1,685,830.67
Notes in Circulation	27,520,270.74
Deposits	449,959,180.66
Due to other Banks	11,857,846.06
Bills Payable (Acceptances by London Branch)	4,621,361.39
Letters of Credit outstanding	24,668,850.47
	$560,513,340.01
ASSETS.	
Cash on Hand and in Banks	$106,697,535.24
Deposit in the Central Gold Reserves	10,000,000.00
Government and Municipal Securities	64,631,732.01
Railway and other Bonds, Debentures and Stocks	14,196,585.57
Call Loans in Canada	15,497,608.66
Call Loans elsewhere than in Canada	38,401,318.26
	$248,874,779.74
Loans and Discounts	270,076,785.59
Liabilities of Customers under Letters of Credit as per contra	24,668,850.47
Bank Premises	13,771,777.98
Real Estate other than Bank Premises	1,718,360.01
Mortgages on Real Estate sold by the Bank	382,786.23
Deposit with Dominion Government for Security of Note Circulation	1,020,000.00
	$560,513,340.01

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McIntyre Ore Shoots Are Rich and Long

McIntyre ore shoots are developing spectacular lengths with good consistent values as the mine is being opened up at depth. This was shown by Manager Enis' report to shareholders. Here are some of the facts. No. 7 vein opened up on four levels, 2,000, 2,125, 2,250 and 2,375 show widths of 861 feet. 1,365, 797, 994, with width of 7 to 7½ and values $9 to $9.80. The vein where cut by drill at 2,875 showed no change. No. 9 vein was cut on seven levels below 1,625 feet and shows a length of 500 feet, width eight feet, average values $11 to $11.70 per ton. No. 10 vein, between 844 and 2,375 feet, for various lengths it shows six to 40 feet in width, of low-grade ore but a drill cut it on a deeper level and showed $9 ore. No. 3 vein shows $10.90 ore over a width of 10 feet while No. 5 vein, opened only to 1,625 ft. level, averages $11.60 and produced half the last year's production.

LORRAIN IS FINANCED

Lorrain Consolidated is in good financial position to carry on to production, according to Pres. L. L. Steindler. There are sufficient funds for several months' work, in the treasury, besides 700,000 shares. In addition the company has considerable high-grade ore which it can ship. No effort is being made to break ore, the whole force being centred on development.

ANOTHER LORRAIN OPERATION

Keora has started work on its south group, next to the Clifton in South Lorrain. A gang is working on the South Keora group, north of the producing area.

News of the Mines for the Investor

U.S. CAPITAL TAKES PORTLAND CANAL AREA PROPERTIES

Big Missouri and Famous Engineer Are Latest Ventures

VICTORIA.—Portland Canal mining region of Northwestern British Columbia appears to be drawing an abundance of capital. This is due to the remarkable showing of Premier and Dunwell mines. Fears that the field would probably lie dormant for years on account of lack of money are beginning to be dispelled. New York interests' latest undertaking is the bonding of the Big Missouri, which at one time was owned by Mackenzie & Mann. George Collins says development will begin at once. The property was formerly under bond to Trites and Wilson interests, who played such a conspicuous part in the development of the Premier. Trites and Wilson paid out nearly $50,000 in connection with the Big Missouri holding, but for some reason not divulged were agreeable to relinquish their claim to Collins.

Details of the new deal were given out by J. A. Hall, president of the Salmon River Bank, in Hyder, Alaska, just across the boundary from Stewart, the centre of the Portland Canal mining zone. Dan Lindeborg was Hall's informant. Dan and his brother Andrew are owners of the property. The new bond calls for a total payment of $250,000. A minimum number of eight men must be continuously employed. Harry Howson, who opened up a big shoot of high-grade ore on the property two years ago, will be in charge.

New York capital, headed by Thomas F. Cole, have taken over the Engineer Mine, once examined by Hollinger engineers for the Timmins Bros. Strictly speaking, it is not in Portland Canal area, but it is close enough to represent another big development for that part of the country. Seventy-five men are now employed. The mine was recently inspected by a group of well-know Eastern mining men and capitalists, including Clarence Mackay, cable and telegraph magnate; Wayne Darlington, mining expert who looks after Mr. Cole's mining investments; Isaac Benedict, of the Consolidated Gas Company, New York; George Peabody, of the New York Stock Exchange firm; Donald Percy, New York realty operator; Gideon Boericke, head of a mining firm operating in Colorado, Montana and Nevada; Dr. Harvey Weed, geologist. The party was accompanied by President Bob, of the Engine Mine Corporation, and Walter Melody, vice-president of the company.

It was decided to start development on a large scale. Although the mine has been a big producer during the years it was operated under control of the late Captain James Alexander, it was never equipped with sufficient machinery to mine the property in the most economical manner. The new owners are putting in a large mill. Leases are to be given on the Mickey vein, Boulder vein and Governor vein, where rich telluride ore shows. The company will mine the famous E vein, where development is considered about two years ahead of the mill capacity. Electrical machinery is now being installed at the Wann River, three miles from the mine, for development of the necessary power for the mine and mill.

Silas P. Silverman, acting on instructions from New York, has made an examination of the Georgia River property acquired last year by the American Mining & Milling Company, and expresses himself as well pleased with the result of the assays made, many of which showed a much higher grade of ore than appearance indicated.

H. A. Heywood, manager of Terminus Mines, in the Portland Canal section, reports that the contractors have completed 100 feet of their 300-foot cross cut tunnel contract. The work was started July 15, and at the present rate of progress the contract will be finished and the vein for which the tunnel is being driven should be reached by the middle of October. Construction of the winter camp commenced on August 20.

MONTREAL.—Working for four days, two men took out 15 tons of ore, giving an average assay of over $300 per ton. Such are the results which have just been received from the Fish Creek Company, who have over 3,000 feet of lateral working completed on their property in the Portland Canal Area. In the same area, on the Georgia River property, surface work has uncovered a vein for a distance of 300 feet. On over one foot in width and throughout its total length this vein shows an average return of 8 ounces of gold per ton. Here the company have completed 400 feet of lateral working. Both these properties are subsidiaries of the British and American Holding and Developing Company.

ADD HOLLINGER TO LIST

Hollinger shares will likely be listed on Toronto and Montreal Exchanges. This has been in prospect at intervals for several years past. The high place which the Hollinger mining enterprise occupies among Canadian industries, and its established rank among the world's leading gold producers will make it an extremely valuable acquisition on the Toronto board.

CONCILIATION OF RAILWAY OPERATORS

Conciliation board will consider Canadian National and Canadian Pacific commercial telegraphers application for increased wages.

Activity in Mining Shares is Growing

Several important bursts of buying have made their appearance on the mining market during the past week. Two of the more important are directly traceable to London influence. The first was in Keeley and resulted in the placing of a large order with a local house. This order was just nicely filled when back came an order of about the same size for Vipond shares. The latter action means that control of this latter issue is now well established in London. It started a local interest in the issue that is carrying it close to the high. Some unknown force has been working on Crown Reserve for the last couple of weeks with the result that the market for these shares got down to a point where they were labelled as a bargain by many. They did not stay long at 43, however, and are now on their way up. Tough-Oakes-Burnside shares have strengthened materially. The mill should turn over during the next couple of weeks. Interest in the Lorrain silver shares has been keen. Keeley's latest find and success on the Canadian Lorrain have been factors. The announcement that Lorrain Consolidated expected to join the producers in the fall, makes this issue attractive. Evidently the management is going to wait for the railway. Dome, Hollinger and McIntyre are showing good strength while Lake Shore, Wright-Hargreaves and Teck-Hughes hold firm. C. W. D. Lake has strengthened on the announcement that the mill was starting.

Thomas Gold is Out To Raise $350,000 Cash

From Our Own Correspondent.

MONTREAL.—Thomas Gold Mining Co. plans to raise $350,000 and has increased its capitalization from $600,000 to $3,000,000. The money will be utilized for development work. The claims are in Thomas Township, six miles south of Night Hawk Lake and front on the White Fish River. T. H. Carveth, of Montreal, is the president.

Mill Tests of Bingo Ore Confirm Assays

Mill tests taken by independent consulting engineers, in considering and designing plans for Bingo mine mill, confirm the assay values heretofore reported, according to Jos. Myers, managing director, in a report made by cable to London. He adds that their report assures high and easy extraction at low cost. Mr. Myers is now on a visit to the property.

Argonaut Arranges for Needed Additional Funds

MONTREAL.—The plans for further financing of Argonaut have been completed, and within four weeks the company will have sufficient funds for further expansion underground, and also for raising the milling capacity to 250 tons, J. H. Rainville, the president, told THE FINANCIAL POST. During the year ending the 31st July, the mill with its present capacity of 100 tons, ground out $185 000 in gold. During August, the company were forced to suspend milling operations for eleven days, due to the power scarcity, but this difficulty has been overcome and an abundant supply is assured for the future.

Vein No. 6, on which such good results were obtained on the fifth level, was struck on the 625-foot this week. The first assays have proved encouraging.

SILVER AND OTHER METALS

Sept.	2	3	4
Silver—			
London	34 7/16	34 7/16	34 5/16
New York	68½	68¾	68½
Copper	13½	13½	13⅝
Lead	8.00	8.00	8.00
Zinc	6.27	6.27	6.30

MINING STOCK QUOTATIONS WEEK ENDING SEPT. 2

	High	Low	Close Sept. 2	Close Aug. 26
Apex	2¼	2¼	2¼	3
Argonaut	36	34	34	36
Atlas	3⅞	3¾	3⅞	3¾
Baldwin	2¼	2¼	2¼	2
Beatty	3⅜	3⅜	3¾	3⅜
Beaver	14¼	14	14¼	14¼
Bidgood	6½	6¼	6½	6¼
Boston Creek	8	8	8	8
Buckingham	3¾	3½	3½	3¾
Can. Lorrain	72½	66	72½	64½
Capitol	36½	35½	36½	36¼
Castle Tret.	71	69	70½	70
Clifton	12	11	12	13
Coniagas	1.50	1.40	1.40	1.20
Cons. Smelters	43¾	42	43¼	43
Cons.W.Dome.	23	20½	21¼	20
Crown Res.	54	42	53	47
Dome Mines	15.50	15.25	15.35	15.25
Everett	5	4½	5	4⅞
Int.Nickel,com.	18¼	18¼	18¼	19
Gold Reef	1½	1½	1½	1¼
Goldale	19½	19	19½	19¾
Hattie	3½	3⅛	3½	3
Hollinger	14.00	13.90	13.90	14.00
Hunton	9¾	9	9¾	8½
Inspiration	10	10	10	10
Indian	8	5	8	8
Keora	11¾	11	11	11¼
Keeley	2.51	2.30	2.30	2.30
Kirk. Lake	18½	18½	18½	18½
Lakeside	8	7	8	7⅝
Lake Shore	3.95	3.87	3.92	3.94
Lorrain T.L.	1.38	1.35	1.38	1.30
Lorrain	21	18½	19½	18
McIntyre	16.10	15.80	16.10	15.75
McKinley	10	9½	10	10¼
Mining Corp.	2.58	2.50	2.56	2.46
Moneta	17½	17	17½	16¾
Newray	20½	20	20	19½
Nipissing	6.15	6.10	6.15	6.20
Pete Lake	11¼	9⅜	11	9⅜
Preston E.D.	13¼	12	13¼	12
Porc. Crown	5¾	5¾	5¾	6½
Rouyn	20	20	20	20
Teck Hughes	1.30	1.28	1.30	1.30
Timiskaming	17	17	17	17½
Tough-Oakes	62	58	61	58½
Trethewey	13½	12½	13¼	12½
Skead	19	19	19	19
Vickers	10	8½	10	9
Vipond Cons	1.25	1.08	1.23	1.07
Wasapika	3	2½	2½	2
West Tree	5¼	4⅜	5¼	4⅜
Wettlaufer	23½	22	23	21½
Wright Har.	3.65	3.65	3.65	3.55
Oil Companies				
B.A. Oil	34	33½	33½	33⅞
Imperial	105	105	105	104
Mutual	10⅜	10⅜	10⅜	11½
North Star,com.	.75	.70	.70	.70
North Star,pref.	3.50	3.50	3.50	3.50

WHY MINE CONCERNS ARE CAPITALIZED HIGH IN CANADA

First of Series of Articles Dealing With Mine Finance

By D. E. CUSHING,
Mining Editor, The Financial Post.

The question of mining finance is becoming more and more important. The circle of investment is rapidly widening. There are many phases little understood, others that need correcting if the industry is to get the best out of the available speculative funds and if investors are to be assured of a run for their money. Public confidence is very important. There have been things happen in the past that have had the tendency to shake that confidence. A repetition is to be avoided, if possible. Involved in this situation is the Standard Mining Exchange, its laws and rules, brokerage methods as well as those of the wild catters, or one call salesmen. THE FINANCIAL POST proposes to deal with this problem in a series of short articles which will appear in this column.

With but few exceptions, Canadian mines have confined their capital stock to one class, common shares. In this connection they differ materially from the English companies, which invariably have preference and common shares. Porcupine Davidson is an example. Capitalizations vary. Hollinger Consolidated Gold Mines with $24,600,000 issued out of a capitalization of $25,000,000 has the largest amount of stock outstanding. In the matter of capitalization authorized, however, it takes second place to Canadian Associated Goldfields with $30,000,000 authorized and $21,934,096 issued. The average run is from $2,000,000 in $1 shares to $5,000,000 $1 or $5 shares. One notable exception is March Gold Mines, with par value 10 cents.

It has often been felt that large capitalizations have a tendency to retard rather than help mining finance. There is no real reason why a mine should be capitalized at two or three millions, or five millions, which seems to have become a popular figure of late. This widens the market and the interest in the shares to some extent, but some contend that the brokers, rather than the mining industry, have reaped the benefit. On the other hand, it has narrowed the number of prospective investors for other new flotations. Several reasons are advanced for the high capitalization. One is that it allows for selling the stock cheap, and at the same time assures enough shares to finance development. Another is that with a wide distribution of a large number of shares, it is possible to retain control of a company, though lacking actual share control. It is generally accepted, however, that the practice of maintaining a low price in the pioneer days of mining, when it was much harder to sell shares, along with the influence of certain brokers, were the main factors in the large capitalization, and the practice has been blindly followed ever since. Another factor has been the purchasing of properties by issuing shares. In some cases companies have paid over 50 per cent. of their shares for a property.

Another reason for large capitalizations is the desire of the wild-cat promoter to have a goodly supply of shares to unload. There are a number of mines to-day with capitalizations of such magnitude that it is at once obvious to the experienced investor that they are unsound. These are the ventures that are usually unloaded in small lots in the rural communities. In some cases these companies are launched with the usual capitalization, and this later doubled or trebled.

Three well-known companies may be cited as showing different methods of refinancing. A couple of years ago, Vipond's treasury was exhausted. A reorganization, the fifth of its career, was necessary. The capitalization stood at $3,000,000. The new control, bent on mining alone, took the drastic step of wiping out two-thirds of the shareholders' interest, by giving them one new share for three old. They softened the blow, however, by reducing the capitalization to $2,000,000. Thus, with a proven mine of great possibilities and a small capitalization, Vipond shareholders are in a fairly good position. Earnings of $500,000 yearly will allow of a 20 per cent. dividend.

Castle the successor of the old Tretheway, exhausted its treasury just when success crowned the development effort. Money for a mill was necessary. Pres. Bickell hit upon selling a small preferred issue to the shareholders. This was done, and the mill financed. The preferred are redeemable at par, $1. They were sold at 60 cents. The common shares number $2,000,000.

Hattie is another. It gradually got its capitalization up to $5,000,000, all issued, and little to show for it, except a big acreage of mining lands. Then came the necessity of getting more money, or more shares. This was overcome by the expedient of doubling the capitalization, and to-day it is $10,000,000, the new issue of $5,000,000 to be half 7 per cent. cumulative preferred and half common. Hattie is still far from a proven mine despite the talk of mill plans. If it ever gets producing, the difficulty of paying dividends on such a capitalization, as compared with that of Vipond or Castle, is easily seen.

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Continued Growth of Ontario Mine Wealth Reflected in Steadily Growing

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NO NEWS OF DEAL

The deal on Ophir is said to be still pending. The shares hold firm. It is understood that Scotch interests are after the property.

Rumors that Dome interests are again after the Preston claims have aroused a new market interest in that property.

KEELEY FIND IMPORTANT

Keeley's new discovery of high-grade ore in vein No. 16 is 300 feet above the diabase contact and 800 feet west of the Wood's vein where the concentration of values has been practically confined to, heretofore. It opened up remarkable possibilities for the mine and the camp.

QUITS NIGHT HAWK

Douglas Mutch has severed his connection with Night Hawk Peninsular. Walter Segsworth, consulting engineer, is at present in charge.

MILL NOW RUNNING

Consolidated West Dome Lake's mill is now running, handling about 65 tons daily. A couple of weeks should see this increased to 100 tons.

Current Events in Banking World

BANKS PUTTING CURB ON THEIR FREE SERVICES

Growing Recognition That Overhead Costs Must Be Met

By A. B. BARKER,
Manager, Toronto Clearing House.

There is nothing like the withdrawal of a privilege to raise a storm, and judging by the recent vigorous protest from the Woodbridge district, the local managers must have considered their ground very carefully, before deciding, in defiance of a more or less established custom, to enforce a charge for the collection of cheques drawn on Toronto and other points. For many years now it has been the custom to negotiate cheques on Toronto at par in most of the sections near this city, this due, of course, to competition, and the fact that too many branches seem to have no idea of what constitutes cost of operation, and therefore are not equipped for bargaining.

The public attitude towards banks and the service they render is most peculiar, as they are the only business organizations, which are expected to furnish service free. In many public auto service stations one sees the sign "free air," but every motorist knows that, when he does use this convenience, it is considered the proper thing to purchase gas or oil from the garage, in order to permit the owner to realize some profit from the connection.

With a bank popular opinion apparently recognizes no such obligation. If a man living in Woodbridge receives a cheque drawn on Toronto, he expects to be able to negotiate the cheque in his home town, without cost to him. In other words, he wants "free air," but does not want to buy oil or gas from which the service station may make a profit.

Entitled to Free Air

The published accounts refer to the custom in other small centres of negotiating such cheques at par, but, because the bank managers in these places are content to provide this service without charge, is no reason why others should continue to follow their example. It is altogether likely that, in the not distant future, bank charges on out of town cheques will be adjusted to ensure fair return for the service rendered. Banks operate under heavy fixed charges. Falling interest rates and lessened demand for loans mean reduced earning power. A reduction of free service, or, better still, a fair charge for all service therefore, would appear to be the most satisfactory method of reducing the overhead expense and ensuring a proper return on the capital invested.

When the circumstances are clearly laid before the public, and a reasonable scale of service charges put in force, they will be paid without question. People, in general, are fair and willing to pay a reasonable price for what they want, provided they realize that no one else is getting the same thing at a lower rate. Taking the Woodbridge complaint as an instance. it is not so much the slight charge, ⅛ of one per cent., minimum 15 cents, they complain of, as that they believe others are getting the service at a lower price. Once assured that they are paying the standard rate the opposition will be at an end. It will, however, take some strenuous work at first, and many of the conversations will be picturesque in their terms.

Heavy Ferry Tolls Hurt Tourist Traffic of C. B.

From Our Own Correspondent.

SYDNEY.—Contending that excessive ferry tolls are driving tourist traffic away from the island, Cape Breton motorists are asking the Armstrong government to cut charges to a nominal rate sufficient to cover the ferry overhead. Owing to the vast area of the province covered by lakes, it is practically impossible to make any long trip without crossing a ferry. In some instances to cross a strip of water less than a quarter of a mile wide, and return at night, costs the motorist over $7.

Staff Gossip

C. McGlennie, of Lucknow, has been transferred to Southampton as manager of the branch of the Canadian Bank of Commerce, succeeding J. B. Clark.—Sun-Times, Owen Sound.

* * *

A. H. Trueman, who has been acting manager of the Bank of Montreal at St. Stephen for the past few months, has returned to his former position of manager of that institution in this town.—The Transcript, Moncton.

* * *

T. M. White, for several years on the Timmins staff of the Bank of Commerce, has received notice of his promotion to the position of chief accountant of the bank's branch at Dunnville, Ont. He will leave about Sept. 10 to take up his new duties. — The Advance, Timmins.

* * *

E. Sinclair, who for nearly three years has been accountant in Virden branch of the Union Bank of Canada, and who during that period has taken an active part in recreational sports, including baseball, golf and curling, has left for Angusville, Man., to assume the management of the branch at that point.

H. H. Stevens has arrived from Winnipeg to assume the duties of accountant on the Union Bank staff.

Earle McIntyre has taken a position on the staff of the local branch of the Union Bank of Canada.—The Empire-Advance, Virden.

Smooth Stranger Passes Cheques at Peterborough

The old confidence cheque game has been successfully tried in a slightly different guise at Peterborough recently. A smooth, prosperous-looking stranger calling himself Dr. R. J. Macdonald, Toronto, registered at the best hotel and introduced himself to a local physician, Dr. D. C. King, as a graduate of the Johns Hopkins University, Baltimore, with two years' experience in the company of the famous Mayo Brothers. He expressed a desire to locate in the district and negotiated for the purchase of a house at Millbrook which be said would be used as a private hospital with two Peterborough doctors associated in the enterprise.

The stranger then made a deal with Dr. King for the purchase of $900 of medical instruments and after talking nonchalantly of a recent bequest of $60,000 tendered a cheque for $2,000, which was accepted. Later the instruments referred to and others disappeared from the home of Dr. King and the so-called Dr. Macdonald joined energetically in the campaign to run down the thief. The next day Dr. King went to Port Hope to keep an appointment with the new doctor, but found neither doctor nor patient.

While Dr. King was in Port Hope the stranger made his get away, taking the instruments with him. He is wanted now for the theft of the instruments and the passing of a number of worthless cheques in addition to the one for $2,000.

Exchange

While United States funds have been at a discount in Canadian cities at times during the week, the close is usually at par. The premium on Canadian funds is kept at a minimum by the fact that the United States also is selling grain and cotton, and the bills for these are in lively demand for shipments to European centres. This has strengthened the United States dollar, and has caused reactions in the continentals, as well as in sterling.

There are already indications that the gradual recovery of sterling will have the effect of increasing the flow of British investment capital to Canada, as was anticipated. An unusual amount of interest is being shown in some of the mining issues, and it is expected that this may easily reach large proportions. Sterling's current reaction is attributed to the purchase of grain and cotton, the buying of which will be a depressing factor now for some weeks.

NEW YORK FUNDS

			Last Year	
	High	Low	High	Low
Aug. 28	Par	x1-64	2 13-32	2 3-8
Aug. 29	Par	x1-32	2 3-8	2 11-32
Aug. 30	x1-32	x1-32	2 25-64	2 3-8
Sept. 2	Par	x1-32	2 13-32	2 3-8
Sept. 3	Par	Par	2 27-64	2 13-32

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Aug. 28	4.48¼	5.39½	4.42½
Aug. 29	4.50½	5.52	4.45½
Aug. 30	4.48½	5.39¼	4.43¼
Sept. 2	4.48¼	5.40½	4.43¼
Sept. 3	4.47½	5.34	4.47½

x—Discount.

Weekly Bank Clearings

(In comparison with same week last year).

EASTERN CITIES

	Aug. 30, 1923	Aug. 28, 1924
Halifax	$ 2,414,346	$ 2,310,377
St. John	2,989,672	2,123,077
Moncton	708,342	813,506
Quebec	6,580,406	5,069,481
Montreal	80,189,161	86,605,525
Ottawa	5,400,358	4,737,444
Kingston	583,962	542,879
Toronto	84,706,192	89,163,963
Hamilton	6,501,919	4,568,121
Brantford	888,490	732,879
London	2,245,751	2,377,322
Kitchener	830,700	739,450
Windsor	3,047,663	3,313,467
Total East	$197,086,962	$203,097,491

WESTERN CITIES

	Aug. 30, 1923	Aug. 28, 1924
Fort William	$ 924,314	$ 660,403
Winnipeg	30,483,634	40,526,252
Brandon	533,050	602,482
Regina	3,139,679	2,428,209
Saskatoon	1,411,669	1,314,816
Moose Jaw	1,033,702	994,271
Prince Albert	227,981	251,316
Calgary	4,589,117	4,465,772
Edmonton	3,279,363	3,655,094
Lethbridge	558,491	447,218
Medicine Hat	283,768	241,382
N. W'minster	472,906	536,504
Vancouver	13,465,246	14,165,424
Victoria	1,854,185	1,618,347
Total West	$ 62,257,105	$ 71,907,490

Monthly Bank Clearings

(In comparison with same month last year)

EASTERN CITIES

	Aug., 1923	Aug., 1924
Halifax	$ 12,156,905	$ 13,525,484
St. John	12,779,053	12,443,344
Moncton	3,748,011	3,170,251
Sherbrooke	3,807,741	3,377,539
Quebec	28,164,126	22,466,686
Montreal	413,551,500	408,789,470
Kingston	3,077,800	3,017,282
Ottawa	26,415,469	24,827,634
Peterboro	3,070,862	3,205,660
Toronto	443,579,577	375,771,153
Hamilton	26,096,025	20,265,056
Brantford	4,210,525	3,306,432
London	12,339,896	10,553,258
Kitchener	4,130,324	3,403,072
Windsor	14,824,077	14,822,053

WESTERN CITIES

	Aug., 1923	Aug., 1924
Fort William	$ 4,373,851	$ 3,316,799
Winnipeg	143,955,139	176,958,959
Brandon	2,625,726	2,429,193
Regina	15,238,534	12,376,873
Saskatoon	7,277,637	6,620,972
Moose Jaw	5,275,202	4,063,288
Prince Albert	1,319,501	1,215,142
Lethbridge	2,652,849	2,087,381
Calgary	20,323,416	20,760,589
Edmonton	16,662,745	15,898,635
Medicine Hat	1,243,271	1,187,608
N. Westminster	2,248,294	2,524,831
Vancouver	65,375,070	67,847,510
Victoria	9,163,067	10,167,457

NO FRIENDSHIP WHEN MANAGER CONSIDERS LOAN

One of the Many Pitfalls Which the Banker Must Avoid

"This is where friendship ceases. I'm like the umpire in a baseball game, or a judge in the courts," said one of the best known bankers of Eastern Canada as he sat in his chair in his office.

"It is surprising what some folks think a bank manager should do to please their desires," continued the banker. "Not long ago, a business man, who was a friend of mine, and who was a fellow member of two organizations, with me, wanted me to loan him a thousand dollars at seven per cent., for three months on his personal note, when I knew he was on the financial slide. At the time I had inside knowledge that this friend of mine was unable to pay his creditors and they were gradually shutting down on him so he could not get a dollar in credit. I told him of my information. He became infuriated, threatened me and denied he was on the financial rocks. He declared he would sue me for slander and defamation of character.

"Sure enough, in three months that man went into bankruptcy. Had I advanced that thousand, the bank would have surely lost it, as the assets did not cover ten per cent. of the claims. And just because the man was a friend of mine and a fraternal associate, he thought I was bound to advance him the money.

"And here is another case. Another friend of mine who was in business did not properly care for his business. Several drafts were unpaid and I warned him that he should pay the drafts or I would be forced to do something that would awaken him. He laughed. I gave him another warning, and then I called in the sheriff, who slapped a padlock on the store. That friend of mine was a friend no longer. Apparently, he tried to use our friendship to dodge his honest debts.

"And still another instance. A man with whom I had been friendly, while I was holding a lesser position in the bank, thought I would be willing to forget he had neglected to pay his bills when in business originally. He had paid twenty-five cents on the dollar and resumed business. It was a case of taking that, or less, and the creditors chose the lesser of two evils. That man was sure he would get credit from me, and that I would overlook his acts in the past. But when I refused him I made another enemy—and at the same time I kept the bank's funds. A man must watch for false friends in banking."

On Taking the Public Into Your Confidence

The American Banker.

Because of a curtailment in earnings due to increased costs, easy money, and a general slackening of business, banks the country over are setting about to revise their operating expenses so that these adverse factors shall not make too serious inroads on their income. As a result of this closer analysis of operating policies, bankers now feel it incumbent upon themselves to discontinue or modify certain "free" services. In some cases they have seen fit to institute an appropriate charge for services formerly rendered gratis, and, in addition to eliminating many of the "frills"—which means everything from free telephone to theatre ticket service—many of the banks are debiting low checking balances with a penalty charge. In not a few instances coming to our attention, banks are raising the figure which is to be considered as a minimum balance. There are reports, too, of institutions which have found it necessary to reduce the rate of interest on commercial checking accounts. Others, finding the small account too heavy a burden in the face of constantly growing overhead due to greater operating costs, have increased their initial deposit requirement, so that, for example, banks which formerly would accept new accounts for the opening sum of, say, two hundred dollars, now fix the amount at five hundred. This latter development, however, is not like the other departures, entirely due to late adverse conditions, but instead, has been the result of a movement which has been becoming more general during the last two or three years.

With such a widespread tendency to reduce the interest paid to depositors, to institute higher initial account requirements, to penalize inadequate balances, and to eliminate many special services to which people have become accustomed, there is sure to ensue a hue and cry that the banks are discriminating too much against the small man and that the idea of service to community has been discarded. To offset, then, what will very palpably be a wave of antagonism on the part of the public toward some of these new measures, a campaign of explanation, or call it a campaign of education, should be inaugurated. In effect, this will cause the layman to understand that banks, like commercial houses, are subject to the whims and caprices of the business cycle, and that adjustments tending toward a normal profit are just as necessary to be enforced by the banks as in the case of the merchant or business man. While much of the publicity of the banks has been helpful in cementing the closer friendship of the public, our institutions cannot well afford to take drastic steps without calling the people into their confidence.

Fur Traders Pushing Back the Northern Map

ST. JOHN'S, N. F.—The hunt for fur is extending northward year by year, according to officials of the Hudson's Bay Co., and Revillon Freres. These companies have already despatched their steamers on their annual tour of the northern posts which each season are being located farther and farther northward as the field of the pelt hunters is extended into the Arctic. The Hudson's Bay Co. now has a numerous chain of posts in Baffinland and other areas north of Hudson Strait. Two years ago the company undertook to establish a herd of reindeer in Baffinland with a view to augmenting the meat supply of the region. The company was encouraged in its experiment by the success of a similar project in Alaska, but the plan met with partial failure and the herd now is small.

A BANK AND ITS MONEY

Regina Leader

A fact too often overlooked by those who complain of what they call the strictness of banks and loan companies in protecting loans is that the money handled by these corporations is not their own. A farmer or a merchant or manufacturer goes to a bank and borrows a certain amount of money. The bank manager does not take this money out of his own pocket or out of his own account in the bank. What the borrower receives is the combined deposits of a greater or less number of depositors. The bank is merely the agent of its depositors in loaning this money to third parties. When the borrowers do not pay back to the bank what they owe it and the bank fails it is not so much the bank that suffers as it is the depositors. The same thing applies to the insurance companies, who loan out the money they receive from policyholders in the shape of premiums and which must be secured in order to enable the companies to pay the claims when they fall due.

The impression seems to be widespread among a certain class of people that the money which the investing agencies operating in Western Canada loan in mortgages and other securities is the personal possession of the agencies themselves. This utterly erroneous impression leads those who entertain it into regarding the loan companies as "soulless corporations," willing to borrow the last cent out of a debtor in order to fatten their own fortunes. They are merely making sure that those whose money has been entrusted to them to loan to others do not suffer through any act of theirs. When borrowers come to understand that the money they obtain from the banks and mortgage and loan companies frequently represents the life savings of people no better off financially than they are, a greater willingness to meet interest and capital payments when they fall due may be expected to develop.

A certain type of citizen, which would not think of delaying or seeking to evade payment of a debt owed to an individual, will procrastinate and attempt to get out of paying what it owes to the government or to what it regards as a "soulless corporation." This attitude cannot be justified by any possible line of reasoning, specious or otherwise. All that can be offered in extenuation of it is the probability that those who adopt it fail to fully realize where the money they borrow comes from. When they realize that if they do not pay their taxes their neighbors must pay more than their share of taxes and that when they default in their payments to the bank and loan companies other people not too well fixed in wordly goods must suffer, very few of them probably will continue to look upon their debts as something to be escaped from rather than to be faced and eventually liquidated.

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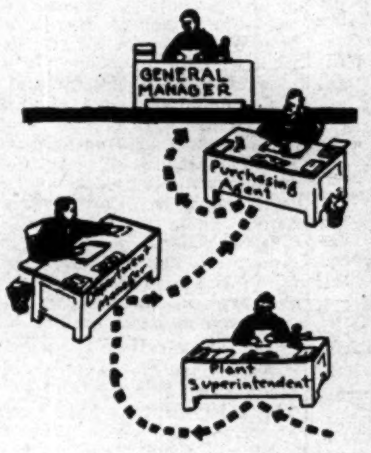
The Path of a Sale



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TORONTO, SEPT. 5, 1924

LATIN-AMERICAN MARKETS

THE statement made to THE FINANCIAL POST by M. Salas Baiz, of Puerto Plata, Dominican Republic, and endorsed by General H. Ducharne, Caracas, Venezuela, that the peoples of the Latin-American republics, with a total population of about 80,000,000, want Canadian goods but must get our flour, our fish, our paper and other products from New York, should have the serious attention of the Canadian Government. They emphasize particularly that the opportunity for Canada is now. The post-war trade adjustment is still taking place and there is a tendency to buy in other markets than the United States. Further, they say that an era of development is now commencing in which there is an opportunity for Canada to play a considerable part.

Of course, there is always a tendency to minimize the difficulties of developing foreign markets when judging the general statistics of population and consumption. But these visitors from the south bring their message at an opportune time. Arrangements have already been made by the Canadian Government for a trade mission to tour the British West Indies and study export opportunities. There would seem to be no valid reason why the itinerary of this mission should not be extended to take in the adjoining republics which are evidently very friendly towards Canadian products and anxious to establish Canadian trade relations.

The practical problem in connection with developing markets in the Latin-American republics is transportation. Canada already has organized a service by the Canadian merchant marine to the British West Indies. It would not involve a very great expansion of this service to include ports of the neighboring republics. Such a venture would, no doubt, involve loss at first but if there is reasonable assurance of developing what may become a profitable trade in the future, it might be well worth while to employ the government vessels in this way rather than have Canadian products marketed through New York and lose both their identity and their popularity in the process.

TOURIST BUSINESS PAYS

THE shipment back to the United States of $3,600 in American currency by one branch bank in St. Catharines, is mentioned by the St. Catharines Standard "as indicative of a very large volume of American business, tourist and otherwise, which is coming this way," but this paper expresses the belief that the tourist business is not being made to pay the profits it should to Canadian merchandising houses:

> The enormous value of the tourist traffic has not been exploited to the fullest extent by our merchandising houses. Out in Vancouver, there are signs displayed at the big hotels, reminding Americans that they can take back to their own country goods to the value of $100 without payment of duty. This is being taken advantage of in woollen goods, showing once again that in clothing lines it doesn't pay Canadians to shop across the border. The average American tourist leaves about $100 on his trip to Canada. Some leave a great deal more but the average of $100 is conservative. One American in this city last week decided to stock up on woollen blankets, prices for which here are a bargain as compared with the States. These are merely signs pointing to better and bigger business if the drive is made to secure the same in St. Catharines. We occupy a strategic point on the highway. St. Catharines ought to be the big filling station, both coming and going, for the American traffic. Shipment of American bank notes back home shows that the volume is growing. We have a favorable trade balance. With thousands of people passing through St. Kitts every week, everyone of them a potential buyer, there is business for the go-getter.

What is true of St. Catharines is equally true of hundreds of cities and towns throughout Canada. And THE FINANCIAL POST would again emphasize that if advantage is to be taken of this situation next year now is the time to organize for 1925. The best results will not be obtained by local efforts unless these local efforts are co-ordinated into some general plan for advertising Canada's attractions and adequate service and accommodation for visitors.

WATCH THE SOUTH

ONE of the most rapidly developing territories in the world today is the Southern United States. The South has awakened from its sleep and is building a solid industrial structure on its important natural resources. New factories, office buildings, homes, schools and churches are springing up. The uneducated negro, the poor white and the traditional Southerner are all passing from the scene. Industry and commerce is becoming part and parcel of the life of a country that was agricultural entirely and not even progressively so.

The South is progressing so amazingly because effective use is being made of existent natural resources. Such power developments as those of the Mississippi River Power Company, the Alabama Power Company, Muscle Shoals, and the Duke developments have been made centres for pulsating industry. The rich Southern forests are also being utilized to better advantage. A big kraft paper industry is being built up. Evidence of the new order of things is seen in the fact that in two such important commodities as textiles and wrapping paper the South is seizing the lead in production in the United States.

Canadians will watch with interest the South's progress. In providing economical power for industry the States below the Mason-Dixon line will be competitors of Canada. In pulp and paper, too, they will be in competition with us. More important though is the fact that this industrial re-birth of the South emphasizes again the prosperity that can be built up on sound and thorough development of natural resources.

Canada has learned this lesson, but needs to be reminded of its blessings once in a while.

IS A VITAL QUESTION

"NO NEW article coming into the market has purchasers ready and waiting for it. No article for which a market has been created will continue to hold its place unless the desire to buy it continues. Purchasers really have to be trained and led as though they were an army. An army which is not well trained and well led will revolt. So will the purchasing army."

The foregoing sound business philosophy comes from no less an authority than Henry Ford, whose experience at building a business and keeping it going has probably not been surpassed by any other industrial leader. The statement contains a great deal of truth particularly applying to the field of merchandise distribution, says Canadian Grocer. Too many business men in all branches of trade, manufacturers, wholesalers and retailers are apt to under-estimate the importance of constantly training and leading the individuals which constitute the army of purchasers.

When buying slackens off the inclination is to blame some abstract factor which we call "bad times." The situation really is that the army of purchasers has revolted. This will generally prove to be the result of poor leadership and calls for a careful scrutiny of the quantity and quality of leadership. In practically every case these factors and not the personnel of the "army" will be found to be at fault.

EDITORIAL NOTES

WITHOUT having seen each other since twenty-five years ago when they attended the same school in Port of Spain, Trinidad, General Ducharne, of Caracas, Venezuela, and M. Salas Baiz, of Puerto Plata, Dominican Republic, met at the Toronto fair. A striking indication of the international importance of Canada's national exhibition.

• • •

THAT the action of the government in making a deposit in the chartered bank upon which there was a run a year ago, would have had little effect in restoring public confidence had it not been for the publicity through the press of that and other facts indicating financial stability, was a point made by Col. Parkinson, of the Ottawa Journal, in addressing the annual convention of the Retail Merchants' Association.

• • •

COMMENTING on the appointment of Sir Agustus Nanton to the presidency of the Dominion Bank, the Lethbridge Herald observes that he "may be able to put a little optimism into the depressed of Toronto by telling them that there are still wonderful opportunities for development in Western Canada and that the development and prosperity of the West will be responsible for the development and prosperity of the East."

Keen Interest in Dawes Plan on Its Acceptance

Details of the Reparations Payment Provided Under the Agreement Which is Hoped to do Much for the Industrial Rehabilitation of Europe

Since the final acceptance of the Dawes Report, and the decision of the powers to put the plan in operation immediately, considerable interest is being shown by the business public in the actual details of the proposals. In view of this fact, THE FINANCIAL POST gives the following concise review prepared for the American Bankers' Association of the method by which reparation payments are to be made under the plan. Incidentally, the total payments are to extend over a period of five years and are to be as follows: First year, 1,000,000,000 gold marks; second year, 1,220,000,000; third year, 1,200,000,000; fourth year, 1,750,000,000; fifth year, 2,500,000,000. The total, however, is subject to alteration by the Reparations Commission. The details follow:

Bank of Issue

A bank of issue is to be established with a capital of four hundred million gold marks, which shall be in shares of 100 marks each. One million shares are to represent assets of the Reichsbank and three million shares for subscription in Germany and abroad. All shares shall be alike and after the initial subscriptions no restriction shall be imposed upon their purchase or sale. All shares shall be paid for entirely in gold or foreign bills at their current gold values. The prime purposes for the creation of the bank will be to give to Germany a unified and stable currency and for reparation payments.

Other chief functions of the bank will be:

1. To issue notes on a stable basis in relation to gold, with an exchange privilege for gold.
2. To serve as a banker's bank dealing in prime short-time paper and so establishing the final rate of discount. It will also act as a bank for the public.
3. To act as a government bank but free of government control; advances to government to be strictly limited, and are placed under the control of the commissioner.
4. To hold on deposit reparation payments.
5. It will be directed by a German president and a managing board which can be assisted by a German consultative committee.
6. The due observance of its statutes will be further safeguarded by a general board of which half of the members, including a commissioner, will be foreign.

Issuance of Bank Notes

A. The bank shall have the exclusive right of issuing and circulating bank notes in Germany during the period of its charter (50 years).

B. Neither the German government nor any German state bank shall have the power to issue paper money, with the exception of the banks of Baden, Bavaria, Saxony, and Wurtemburg, which shall retain their charter of issue for sums not to exceed their present local quota.

C. The government shall not issue any coins for circulation except gold coins containing approximately their full value in gold metal. All coins other than gold issued by the government shall be issued through the bank.

D. The bank may issue notes for circulation against gold coin or bullion. Presumably the law creating the bank is expected to cover any further necessary details.

Reparation Payments

All reparation payments are to be made through the bank of issue. These payments, fixed on a sliding scale, run from one billion two hundred and twenty million gold marks in 1926, to two billion five hundred million gold marks in 1934, subject to addition or reduction in certain contingencies; i.e., controlled revenues (see notes 1 and 2 under table, page 1). In order to prevent these payments from affecting adversely Germany's financial stability, an index of prosperity has been fixed, making it possible to judge whether the amounts of the scheduled payments are not beyond her capacity to pay.

The Index of Prosperity

1. Total German exports and imports taken together.
2. Total of budget receipts and expenditures taken together, including those of Prussia, Saxony and Bavaria, after deducting from both sides amount of peace treaty payments included in the year.
3. Railroad traffic as measured by statistics of weight carried.
4. Total money value of the consumption of sugar, tobacco, beer, and alcohol, within Germany, measured by prices actually paid by the consumer.
5. Total population of Germany computed from last available census date, vital statistics and emigration records.
6. Consumption of coal and lignite reduced to coal equivalent per capita.

Transfer of Payments

All payments for the account of reparations are to be deposited in the bank of issue to the credit of the "Agent for Reparation Payments." The use and withdrawal of the moneys so deposited will be controlled by a committee consisting of the "Agent for Reparation Payments" and five persons skilled in matters relating to foreign exchange and finance representing five of the allied and associated powers. This committee will regulate the execution of the program for deliveries in kind and the payments under the Reparation Recovery Act in such a manner as to prevent difficulties arising with the foreign exchange. They will also control the transfer of cash to the Allies by purchase of foreign exchange and generally so act as to secure the maximum transfers without bringing about instability of currency. If the payments by Germany on reparation account, in the long run, exceed the sums that can be thus transferred, such payments will, of course, begin to accumulate in the bank. When such accumulation amounts in normal circumstances to two billion gold marks the committee will find employment for additional accumulation up to five billion gold marks in bonds or loans in Germany. When this accumulation, including deposit bonds and loans, amounts to five billion gold marks, then further reparation payments by Germany cease until such time as the transfer of the accumulated fund is possible and this accumulation is reduced, when they are again resumed. In the event of concerted financial manoeuvers, either by the German government, or by any group, to prevent transfers of funds, the transfer committee is empowered to accumulate funds in excess of the five billion gold mark limit, and to employ the sums to its credit in the purchase of any kind of property in Germany.

Mortgage of Railroad

Germany's railroads, estimated to be worth twenty-six billion gold marks, with a net earning capacity as high as one billion gold marks yearly, were found to be an available means for securing reparation payments and aiding German finances. The experts propose a blanket mortgage of eleven billion gold marks on the entire German railroad system, bearing 5 per cent. interest with 1 per cent. sinking fund annually.

In addition to eleven billion of bonds, the railroads are to have a capital of two billion of preference shares and thirteen billion common stock. One and one-half billion of preference shares are to be sold to private persons, and the remainder, five hundred million preference shares, and all of the common stock, is to go to the German government to be kept or sold by it at its option. The preference shares are to bear a fixed rate of dividend, and are to participate in the profits after the payments for interest are made. These shares are to be sold by the company for the profit of the German government and of the company itself.

Mortgage on Industry

German industry under the plan is expected to provide five billion gold marks represented by first mortgage bonds bearing the same rate of interest as the railway bonds. This amount, the experts explain, is less than the total debt of the industrial undertakings in Germany before the war.

Default of Interest

The interest on these bonds will be paid on a progressive scale, beginning the second year with 2½ per cent., 5 per cent. the third year, and 5 per cent., plus 1 per cent. sinking fund, the fourth year. In the event of default of payment of the interest or sinking fund or principal upon either railroad or industrial bonds, provision is made for the recovery of the deficiency from the German government through the Commission of Controlled Revenues.

Controlled Revenues

It is recommended that certain specific revenues be assigned to and under the control of Germany's creditors. These revenues to furnish a collateral, but not a primary security, which should be the taxes on customs, alcohol, tobacco, beer and sugar.

Organization

The plan provides for a commissioner of the bank of issue, a commissioner of railways, and a commissioner of industrial debentures. In addition, provision is made for an agent for reparations payments. It is suggested that the latter shall act as the agency between the Reparations Commission and the various commissioners. In case of a difference of opinion between one commissioner and the agent, the commissioner can appeal to the Reparation Commission.

The plan also provides for the appointment of a trustee, with the following duties:

1. He will receive and administer the industrial bonds and will be accountable to the Reparations Commission.
2. He will insure the service, interest, and amortization of the railway and industrial bonds by means of funds remitted to him for this purpose.
3. He will fix the conditions of the amortization of the bonds.
4. With the authorization of the Reparations Commission, and for its benefit, he may sell the bonds which he holds, and may use the mortgage bonds and deeds which he holds to secure new securities which he may himself issue.

Current Opinion

CANADIAN MANUFACTURERS NO FIGHTING FRIENDS TO GREAT CAUSE OF PROTECTION

(Toronto Telegram)

Manufacturers' Day at Canadian National Exhibition reminded upholders of protection for the country's sake of one melancholy truth. That truth is illustrated and proclaimed in the past performances of the Canadian Manufacturers' Association. The association has proved itself perhaps the heaviest burden that the cause and candidates of Protection have had to carry in this country.

Canadian Manufacturers' Association is so anxious to keep the principle of protection out of politics that the association has helped to put Canada's industrial life in the poorhouse.

Canadian Manufacturers' Association specializes in the production of support for the organs and of votes for the party and exponents of Free Trade—the W. L. M. King Government and followers.

TAX-WEARY

(Hamilton Spectator)

Hon. J. A. Robb, acting minister of finance, is reported to have made a discovery—that the overlapping of federal and municipal income and business taxes, and in some places provincial taxes, is burdensome. Those who have been paying through the nose year after year could have given the acting finance minister this information a long while ago. We, in this province, where no provincial tax is levied, have, at times, felt badly gouged. But those who are trebly taxed are the real sufferers. If Mr. Robb can evolve a system which will prevent over-lapping, he will have achieved something really worth while. The municipal tax on business and incomes is undoubtedly the sorest touch. Citizens who pay taxes on property resent paying income tax as well for the privilege of citizenship and within the last few years there has been an exodus of families of independent means to country residences in surrounding townships. The system thus becomes a greater burden upon those who are least able to stand the drain. The suggested land tax will never be popular. The public will view it as but another method of gouging. What is wanted is a system that will be equitable to all classes of the community, a hardship to none, and an adequate revenue-producer. The people are becoming tax-weary.

SPENDTHRIFTS IN THE SADDLE

(New Westminster British Columbian)

While we in British Columbia have our local "searchlights" giving publicity to the heaping of taxes and unprofitable expenditure during this makeshift regime at Victoria, the extraordinary cost of government in this province is attracting attention abroad, on the part of persons having no concern with the fortunes of any local politicians. In this connection British Columbia is receiving disagreeable prominence, amounting to notoriety, in the series of publications of the Citizens' Research Institute of Canada.

As tax gatherers the Oliver government run far ahead of all provincial competitors. The total revenue collected by the British Columbia government for the year 1921, the last figures available to the Institute, came to $31.61 per head of the whole population of the province; men, women and children; white, Indian and yellow. The other three western provinces each collected less than half this amount; while each of the five provinces of the east got along with revenue less than one-fourth of the provincial levy upon our people. The conditions were relatively the same for the two preceding years, the figures for which also are given in the latest bulletin of the Institute.

A MUDDLED SITUATION

(London Free Press)

It is becoming apparent that the King government, in its efforts to hold the support of the Progressives and to placate the West, did an ill-advised thing when it put into effect again the old Crow's Nest agreement. It has caused discrimination and confusion not only in the West, but through Ontario. An appeal is being heard by the railway commission on September 17, but the commission should have dealt with the matter originally. If the King government had been acting from any other than political motives it would have sent the question to the board, which alone has the knowledge to deal with freight rate questions, and which was created with the sole purpose of preventing such problems becoming mere political footballs.

The railway commission cannot abrogate the agreement. This is up to parliament. All the commission can do is to say that the railways must lower the rates all round so that there is no discrimination. The commission is faced with a difficult situation. The railways are entitled to a fair return; their prosperity is of vital concern to the public. The commission should have dealt with the whole matter in the first place and would have seen that all parties and all shipping centres were treated alike.

NON-SUCCESS OF GOVERNMENT SHIPS

(The Maritime Merchant)

The sale of surplus ships by the Australian Government is reported by the New York Journal of Commerce as being accomplished on an unprofitable basis, vessels costing $200 a ton to construct selling for only $15 a ton; a group of nine ships originally costing around $3,000,000 which was sold to Japan, the only nation engaged in extension of shipping tonnage, brought less than $1,000,000.

This is not very encouraging news to people who have been advocates of government operation of ships in Canada. And the most impressive lesson it brings is not that the ships depreciated in value, but that the Australian Government after a sufficient experience on which to form a correct judgment has decided to go out of the shipping business.

Our Canadian Government Merchant Marine are, of course, a legacy of the war. If it had not been for the war we should probably never have had the ships. We have always blamed the late minister of marine, Hon. Mr. Ballantyne, for not having disposed of these ships when the demand for tonnage was good, and we suppose the present Government has an excuse for keeping them for the reason that nobody wants them. But as Australia has proved by experience that shipping is one of the numerous things that a Government had better leave to private operation, it would be better, we think, if our Government got out of the shipping business even if they have to let their tonnage go at the sacrifice Australia is reported to have made.

LOOKING TO THE C.P.R.

(Los Angeles Examiner)

E. W. Beatty, of Montreal, is the president of the longest railroad system in the world. While the Government-owned national railroads of Canada are greater as railroads than the Canadian Pacific, yet the total activities of the Canadian Pacific exceed the activities of the Canadian National Railroads, for the Canadian Pacific owns steamships which circle the earth. It owns chains of hotels. It has almost one hundred thousand employes practically girdling the earth. It controls coal mines.

And although it has all these collateral activities, it does no business through collateral companies which absorb the profits in the way that has injured so many American railroads.

When a reporter asked the president of the Canadian Pacific what was the market price of the stock of his railroad, President Beatty made a reply that will astound many American railroad presidents.

"I don't know what it is now," said Mr. Beatty. "There are no stock tickers in any office of the C.P.R."

"Is that any reason for the success of your railroads?" asked the newspaper man.

"Yes, tickers are a sign of stock manipulation. The Canadian Pacific Management has never done it."

How many American railway presidents could say of the subsidiary or collateral enterprises doing business under its cover that—

When a tourist buys a ticket on our Canadian Pacific Steamships, or a meal at the Chateau Frontenac at Quebec, or a newspaper at the railroad station at Medicine Hat in the Far West, or a berth or parlor car seat anywhere on its lines from the Atlantic seaboard to China, the profit all goes to the Canadian Pacific Railway stockholders.

There is no company within a company in the Canadian Pacific. What is more, the road controls and operates its own line, constructs and operates its own sleeping, dining and parlor cars and all passenger equipment.

Years ago it asked itself these questions: If others can build locomotives at a profit, why can't we? If others can build sleeping cars at a profit, why can't we?

Our American railroads do not build or operate their own sleeping cars; they rent them. And most of the officers and directors of the great railroad systems, as individuals, have been interested in the profits of the express and sleeping car companies doing business over their lines, and have often held the railroads' interest subordinate to their private interests. All American railroad high executives do not do this, but all know that it is done.

American railroad executives are quite as able and efficient as Canadian Pacific executives, but high finance, graft and greed have never been permitted to control the Canadian lines, and that is one reason why no great transcontinental railroad system in the United States has been so uniformly profitable to its shareholders or so efficient in its service to the public as the Canadian Pacific.

Considerable Fluttering in the Political Dovecote at Ottawa

From Our Own Correspondent.

OTTAWA.—With several important appointments waiting to be filled, with probable Cabinet changes also being mooted, with a couple of warm by-elections, and the prime minister and Mr. Meighen about to start on a tour of the West, there is considerable fluttering in the political dovecote. Whether this is the certain prelude to important acts it is difficult to say. No doubt the spirit of the government is willing to do certain things, but the flesh is admittedly weak, opportunity not being very favorable.

The country has heard a great deal during the past year about probable changes in the cabinet, but while these would be desirable, and, no doubt, the prime minister is eager to make them, it is difficult to do so. Mr. Fielding being unable to resume again the onerous duties of the portfolio of finance, it is only a matter of time until Mr. Robb becomes the permanent minister. It is probable, however, that owing to his long service in public life, Mr. Fielding will continue to hold a portfolio until provision is made for his superannuation.

Ambassador to United States

There is a well-defined impression that Senator Belcourt is the man that the government has in mind as ambassador to the United States. It is thought that having had an introduction into diplomatic life through the medium of the recent allied conference in London, he may be induced to accept, provided that in doing so he is not compelled to forego his position in the senate. A senatorship is the best gift in the hands of the government, for, in addition to being a life appointment, the duties are not onerous. Naturally, Senator Belcourt would be loath to let it go. There does not seem to be any insuperable barrier in the way of his acceptance of the ambassadorship, and at the same time retaining his position in the senate.

Carvell's Successor

The number of applications for the position of chairmanship of the Railway Commission shows that in the minds of many, willingness to serve appears to be the chief qualification for this post. There are several applications from the West. Strong support for Dr. MacLean is being exerted, but the stipulation that the chairman shall have had ten years' experience as a practising lawyer seems to stand in his way. Of course, this barrier could be removed through amending the Act.

It is improbable that there will be any more cabinet changes than can possibly be done without. Death opens enough places in the ranks of the government's support, and as these have to be filled within six months after the speaker is notified of the vacancy, the government has enough by-elections on its hands without tempting the fates by opening other seats merely to oblige aspirants to office. Of course, if the government is successful in its by-elections, it may take a chance on creating vacancies, but the probability is that it will leave well enough alone.

Have You a Good Record of Your Securities?

For the convenience of those desiring to make a record of their securities, we have prepared a convenient form, with spaces for entering the name of the security, date of purchase, amount, purchase price, annual income, time of interest or dividend payment, time of maturity, etc. This form has proven very popular, and it is indispensable as a ready reference for security holders. A copy of the "Security Record" will be gladly sent on request.

We shall be glad at all times to make valuations of securities, without obligation, or to make suggestions as to the betterment of holdings by purchases, sales or exchanges.. Our investment experience of thirty-five years is at your service.

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Investors' Inquiries

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

DRYDEN'S FUTURE

F. O. H., B.C.—Can you let me know what is the position of Dryden Paper common shareholders? Is there any possibility of this company recovering their position?

Our pulp and paper issue of Aug. 29, gave a concise review of the position of Dryden. You will note that it states that the future of the company is largely a matter of guess work.

METROPOLITAN BLDG. BONDS

A. F. A., Ontario:—I would like to have your opinion of Metropolitan Building 7 per cent. bonds for investment for professional man with good income and holding $25,000 other bonds.

The offering of Metropolitan 7 per cent. bonds at par is a bond which you, in your position, might well take up. The yield is attractive in face of the tendency of interest rates. The security is well regarded.

BRIDGE RIVER AND LILLOOET

H. J. B., Hamilton. — I would like some information as to Bridge River and Lillooet Mining Co. The mine was at Bridge River, Lillooet, office Vancouver and transfer office Hamilton. I cannot find trace here. Shares were left in an estate.

The records of B. C. Department of Mines for the past 10 years carry no record of such a concern as Bridge River and Lillooet Gold Mining Co.

DOMINION ALLOY STEEL

Reader, Thetford.—Will you kindly favor me with your opinion as to whether you consider Dominion Alloy Steel of Sarnia a safe investment?

Dominion Alloy Steel is erecting a large plant at Sarnia. Work on construction of one unit has already started. The venture is a speculative investment. The company had quite a hard pull in getting sufficient funds to go ahead with the first unit, but seems to have done better later. Selling costs will, of course, be high. The promoters of the venture state that they are assured of an excellent market for their product.

A LADY'S INVESTMENT

F.G.B., Toronto.—Would appreciate your opinion of Western Homes, Ltd., Winnipeg, as an investment for a professional maiden lady who may wish to realize readily.

While Western Homes, Limited, of Winnipeg has had a successful career since organized ten years ago, and this during a period in which conditions have not been favorable for a company of this kind, we do not think that shares in a company of this kind should be recommended for a lady investor who, as you say, may desire to realize readily. We would suggest government or other high-class bonds, for which there is a continuous market at stable prices.

C. W. DOME

Subscriber, Sask.—I'm stuck on C. W. Dome, having bought 5,000 at 29½. I tried to sell 4,000 at 18½ and buy 1,100 T.O.B. but failed. Tell me is their mill getting ready to go? What is the reason for the stock depression? Is it wise to sell 4,000 around present prices and buy some T.O.B., 1,000 Newray and 1,000 Clifton?

Consolidated West Dome has got many people guessing. This seems due to lack of confidence in the statements of those in control. The mill is running as the action of the stock has indicated. It will take about 6 weeks to get a line on milling results. The three stocks you are considering buying are good speculations.

HATTIE

Enquirer, Owen Sound.—What do you think of the advisability of holding Hattie? Would it be better to take the loss now or accept plan of exchange suggested by directors?

Whether or not you would get a better price than now obtained for Hattie will depend, say brokers, on market rather than mining activity. There does not seem to be any confidence in the ability of the concern to make good in a mining way. The present market is under 4 cents, so that if you lost it all it would not mean much and it might work out, if they get a good portion of the stock pooled that they would be able to work the market up. Certainly they cannot do much financing with the shares selling where they are.

WESTREE GOLD SHARES

A. H. M., Toronto.—Can you give me information regarding Westree Mines? I would like to buy a couple of hundred shares as a gamble.

Westree Gold Shares are quite speculative. The property was recently taken over by interests associated with the Backus' of Minneapolis and they are working it. They agree to spend $50,000 and if satisfied, to spend an additional $200,000. On completion of the latter they get control of the company, and old shareholders will get one new for two old, as the agreement is that a $5,000,000 company be organized and the old company gets $2,000,000. As it has slightly under $4,000,000 capital out, this would work out 1 for 2 or mean that the new shares, if the deal goes through, would cost at present market, 9 cents. Some very rich ore has been found on the property, but it has yet to be shown that it is present in commercial quantities.

NORTHERN LIFE INSURANCE

Inquirer, Ontario.—Can you tell me anything with regard Northern Life Insurance Co., London?

Northern Life Assurance Co., was incorporated in 1894 and has operated since then under a Dominion license. It maintains the necessary government deposits and reserves against the insurance in force. Consequently these policies are safe. In company with other insurance companies, the company has prospered in recent years. However, some time ago, a fight for control of the company through ownership of its capital stock took place. This in no way affected the standing of its insurance and all matters in connection with it have now been settled. Those now in control of the company are well regarded in financial circles. R. C. Macknight the former general manager, is continuing to act in that capacity. Under his direction the business of the company expanded rapidly and there is no reason to believe that it will not continue to operate successfully.

NOT MUCH VALUE TO LIST

W. J. H., Wainwright.—I have become possessor, through a deal, of the following shares and would appreciate any information for benefit of legatees:

Toronto Brazilian Diamond and Gold Dredging Co., 2,000 shares, issued Jan., 1909; New McKamun Coal, Gas and Petroleums, Ltd., 200 shares, issued Feb., 1922; Cable Silver Cobalt Mines, Ltd., 6,750 shares, issues Jan., 1909; Peace River Gold Dredging Co., 5 $10 shares, issued Dec., 1921; British Columbia Amalgamated Coal Co., 200 shares, issued Dec., 1906.

Toronto Brazilian unknown.

New Nakamun cannot trace it. Perhaps your certificate gives some information that might help. It should show where the head office is.

Cable Silver passed out.

Peace River Gold Dredging is operating placer leases in British Columbia. The Department of Mines report puts some faith in the venture, although money and time have evidently been lost in experimenting with machinery. These shares seem to have speculative value.

British Columbia Amalgamated Coal property was sold in 1913 for non-payment of fees.

ABITIBI PAPER

J. S., California.—I hold 50 shares of Abitibi Paper which I bought at 76. Do you think I should sell all or any part of these shares at the present time?

Abitibi's earning power justifies a higher price for the stock than it is at present selling at. Substantially higher levels for the stock are not likely to come, however, until the dividend rate is increased, and it is doubtful if the directors would give serious consideration to an increase in the dividend until newsprint conditions have absolutely stabilized themselves again. And in the case of Abitibi it must be considered, too, that the shares are selling at a comparatively higher level than either Spanish River or Price Bros., which are the other two Canadian newsprint producers in the 500-ton-a-day class. The newsprint stocks have been undergoing a process of digestion during the past few years. Gradually they have been getting into the hands of investors who have acquired them for permanent investments, but there are still many shares of split-up newsprint stocks on the market that have not found a final resting place in the strong boxes of investors. This has accounted for slow recovery from the low levels reached following the boom in 1920. But the outstanding shares are getting distribution slowly, and this should be a factor of strength in the case of nearly every one of the companies.

In view of this situation, it is doubtful if there would be any distinct advantage in selling the Abitibi Power and Paper stock now. There is no need for worry concerning the company's position, and with the likelihood of higher prices eventually, if not at a very early date, the stock looks like a hold.

HOWARD SMITH PAPER

J. M., New Brunswick.—I wrote you some time ago about my holding of Howard Smith Paper, preferred and common. Since then the common dividend has been cut and the preferred is down to 80. Would you be kind enough to give me an idea as to the advisability of selling at a heavy loss? If I feel assured of the solvency of the company I would feel easy, but this big drop makes one feel that matters may be in a bad shape. I would appreciate your opinion.

We do not feel justified in advising you to liquidate your holdings of Howard Smith Paper Mills stock. The company has not had the degree of prosperity that shareholders would have liked to have seen, but all has not been easy going for the Canadian high-grade paper mills in the past few years. Howard Smith has done exceptionally well in its field, both in increasing its sales and its earnings. It is in better shape today than it has been for a long time, and the fact that it was able to get such strong financial backing when it made its bond issue last year should be regarded as a point of strength.

We are not in a position to say whether or not the shares will go still lower, but we do feel that the shareholders who will hold on and give the company an opportunity to take full advantage in its sales of its larger production facilities will not be disappointed.

The information we get direct from officers of the company does not indicate any serious condition in its affairs, despite the recent cut in the common stock dividends.

FAIR MINING LIST

J. O. D., Ontario.—Kindly say what you think of the following mines and which, if any, you would advise to buy: Dome, Keeley, Teck-Hughes, Premier, C. W. Dome, Indian, Vipond.

We submitted your list of mining stocks to a number of persons well posted in the market. The best opinion was favorable to Dome, Keeley and Vipond. To this you might add Crown Reserve and Tough-Oakes-Burnside. Teck-Hughes is regarded as being high, in view of the fact that the company has a heavy development to carry out, including a new shaft and a new mill, before dividends can be started. Doubt as to the ability of Consolidated West Dome mill to earn sufficient to carry the proposition exists. Indian has not had a good market record and as a mining venture is still pretty much of a gamble. Premier has been a wonderful dividend payer for the past couple of years. The question to answer in this connection is whether or not the crest of the wonderful high-grade production has been passed and if earnings will not now settle down to a lower and less spectacular level. The best opinion in Toronto is that this will be the case. On the other hand, this information, gathered a long way from the mine, is at best third or fourth hand. Dome and Keeley are both dividend payers, giving a good return at the present market, with every indication that this will continue over a period of years. On the other hand, any great activity in the market is bound to find these shares among the leaders. Vipond is well handled and located. It will be a couple of years before the mine will get production to the desired point, but the shares are well regarded. Crown Reserve is just making plans for a 250 ton mill. The shares are now selling nearly 50 per cent. below what they were some weeks ago and are regarded as a bargain by many brokers. Tough Oakes-Burnside mill will start on towards the middle of this month. A good market will certainly carry these shares to better levels.

Demoralizing Influence of the New Youth Movement

The Buffalo Truth.

The trial of the two young post-graduate students of the University of Chicago—members of the intelligencia of that institution—charged with committing one of the most heinous crimes in police annals, has served to focus public attention on the development of the Youth Movement and the rising tide of radicalism in the schools and colleges of the United States.

The Youth Movement is the outgrowth of an organization known as the Intercollegiate Socialist Society, formed in the country about 25 years ago, composed of those elements in the colleges whose object is to destroy the government of the United States and demolish the foundations of civilization. Its purpose is to reach the students, the young people, and teach them a combative attitude toward all parental authority, as well as absolute disrespect for laws of all kinds. The fruits of such teachings are being harvested to-day, as evidenced by the slaying of the 14-year old school boy in Chicago, and other instances of crime, less diabolical in execution but equally depraved, committed by young intellectuals.

The Intercollegiate Socialist Society was gaining real headway about the time of the war. But when the purpose of Socialism became known through the declared war position of the Socialist party, the organization with its beautiful theories was given a black eye, and the name was changed to the League for Industrial Democracy.

To reach those not to be reached through this League, and to bewilder the public, there also were formed the Liberal League and the Youth Movement, working in connection with the National Student Forum. Aiding these communistic organizations are found the American Civil Liberties Union, the Women's International League for Peace and Freedom, and the National Council for the Prevention of War, as vehicles for propaganda and alleged pacifism.

Voice of the Radicals

These radical organizations, operating under many names, all say with one accord:

> "Communism represents a moral awakening, an intellectual movement among the educated classes; among the antiquated institutions which have to be abolished as obstructions to real progress are religion, family life, private property and centralized government."

Rev. John Hayes Holmes in "Revolt of Youth," a pamphlet, Series 1923-24, says:

> "Our young people have come to the time when they propose to be free of the domination of their elders—free to follow their own courses and seek their own goals. To my way of thinking this new Declaration of Independence is as glorious as all previous declarations of the same kind; andthe Youth Movement, which embodies it, not a peril, but a great hope to humanity.
>
> "From the very beginning of life, the child must be protected from intrusion, interference, warping and moulding influences of every description. He must be left to be himself, trained and educated to be himself. Not obedience and reverence, but courage, self-reliance, experiment, adventure, rebellion, must be the spirit of his life."

The Chicago youths, now facing a charge of murder, declare they were actuated by a spirit of "adventure" and "experiment."

Commending, in highest terms of praise, the Youth Movement of Germany, Dr. Holmes, on page 16 of the same pamphlet, says:

> "Our purpose," says the Wandervoegel, "is to form our own life in sincerity and upon our own responsibility. With this idea in mind they refuse to recognize adult leadership or counsel. They will not have older people among them. In the beginning when they went off on their hikes they took chaperones along. Later they refused to accept supervision of this kind. Now they organize always in pairs, a boy to every girl, a girl to every boy, tramp off to their Herberger, or rest huts, hold their festive ceremonies and dances, spend often the night sleeping in the hut or under the trees, and always without adult control."

Boys and Girls Misguided

Little knowing what they actually are doing, thousands of misguided boys and girls are being conducted in Communism through the Youth Movement and the National Student Forum or some other equally as disloyal organization.

The National Student Forum is to the Socialists and Communists in colleges and universities what the National Council for Prevention of War is to the Pacifists and Internationalists—a clearing house for their organizations.

Strongest Argument for Large Life Policies

A life insurance company trying to prevent the death of a big policyholder is pictured by Chas. R. Flint in his book, "Memories of an Active Life." He says:

"At a dinner which I once gave at my home, there were present among my fifteen guests an officer of the New York Life Insurance Co.; Dr. Ward, vice-president of the Prudential; and Paul Morton, President of the Equitable. In the course of the conversation I remarked that many of their agents had called on me, but that not one of them had ever presented the strongest argument in favor of life insurance. At this the three insurance men expressed incredulity, and asked me what I meant. So I told them the following anecdote:

"On a mission to St. Petersburg I was taken ill, and although I had intimate relations with high officials and other men of distinction in the city, there was no one whom I could ask to recommend a physician. I was in immediate need of one, so I wrote to Mr. Corse, the agent of the New York Life Insurance Co., as follows: 'You have $200,000 on my life. I'm sick. Send a physician at once and save your money.'

"I was never cured so quickly.

"I later told this story to Mr. Kingsley, president of the New York Life Insurance Co., and he included a full account of the incident in one of his company's recent publications."

Discretion

She was most anxious to find out where her husband was, so she rang up a club to which he belonged.

"Is my husband there?" she asked the hall porter.

"No, madam."

"But I haven't even told you my name," said the astonished lady.

"That's all right, madam," said the discreet porter, "nobody's husband is ever here."—Daily Express.

Is No Argument Against Insurance, Says Coolidge

The benefits of life insurance, as conceived by President Coolidge, are many. He says:

"Insurance is the modern method by which men make the uncertain certain, and the unequal equal. Itis the means by which success is almost guaranteed. It is part charity and part business, but all common sense. Through its operations the strong contribute to the support of the weak, and the weak secure, not by favor but by right, duly purchased and paid for, the support of the strong. Every insurance policy is a declaration of independence, a charter of economic freedom. He who holds one has overcome adversity. Everyone knows that it is not what is earned, but what is saved which measures the difference between success and failure. The ability to save is based entirely upon self-control. The possession of that capacity is the main element of good character. It passes over at once into the realm of good citizenship. He who sells an insurance policy sells a certificate of character, an evidence of good citizenship, an unimpeachable title to the right of self-government.

"There is no argument against the taking of life insurance. It is established that the protection of one's family, or those near to him, is the one thing most to be desired, and there is no medium of protection that is better than life insurance. Our government has given close attention to the insurance companies, and they are on so sure a foundation that it is in substance a guaranteed method of protection for our people."

Tourist Opportunities In Latin America

Editor, THE FINANCIAL POST: Sir: Apropos of your article on "Canada's Tourist Business" in THE FINANCIAL POST of August 29, I would like to draw your attention to the opportunity for securing a large share of the Latin American tourist business.

Leading people of the twenty Latin American republics, with their estimated combined total populations of 80 millions, are constantly visiting and making tours in the United States, where they spend a large amount of money. Latin American people when travelling, or on tours, spend money very lavishly, very frequently much more than they actually require to spend.

I could cite numbers of cases and recall one of recent date before leaving South America to come to Canada. A gentleman resident in the republic from which I came informed me he had spent $5,000 on an excursion from New York to California, accompanied by his wife.

By competent authorities it is estimated that people of the Argentine Republic spend annually when visiting Europe a sum approximating 25 million sterling.

Lack of, and erroneous information about Canada, prevents us from getting a good share of this Latin tourist business. It is believed in Central and Southern America that it is impossible to visit Canada because of our intensely cold climate, and furthermore, little or nothing is known of what we have to offer in the way of travel accommodation, hotels, opportunities for recreation and sport, places of historic interest, etc., to say nothing of our scenery which, in many cases, equals if not surpasses that of the United States or Europe.

While in Colombia and Venezuela I endeavored to form a group of people to visit Canada, having specially in mind a group of merchants and others interested in trade. However, with a commercial purpose in view, it was necessary to interest officials of the representative governments and to include government representatives as members of the party. The project could not succeed without this, and I lacked an official or semi-official character as a representative of Canada in order to carry it to a successful issue.

My experience, however, convinced me that the best place to work up a tourist party of Latin American people to visit Canada, is New York.

It is in that city where contact with these people for bringing them to Canada would, in my judgment, be most advantageous.

However, as an indispensable preliminary, propaganda on behalf of Canada requires to be undertaken in all of the Latin American countries, and literature must be prepared in the Spanish and Portuguese languages.

An office or bureau of information in New York, where the interests of the Canadian National Railways, the Canadian Manufacturers' Association, the Canadian National Exhibition, etc., could be represented, for the special purpose of contact on behalf of Canada with the constant stream of visitors from the Latin American nations, would undoubtedly be of great value, and lead to the establishment of trade and other relationships of a mutually beneficial character.

I have no doubt that properly directed efforts to secure a share of the Latin American tourist business would go a long way to help to put the tourist industry in this country on a $300,000,000 basis in 1925, as suggested in your editorial.

It will take time to reach and inform our friends of the vast southern continent about Canada, but even the visit of a relatively small party in the summer of 1925, touring Canada from Atlantic to Pacific, would do much to dispel fears of frost and snow, and accommodation and attractions would make each member an active propagandist for Canada on return to their respective countries.

Trusting that Canada through the means most adequate and effective for its accomplishment, may make the best of this particular opportunity, I am,

Yours very truly,
E. O. AUSTIN.

Toronto, Sept. 1, 1924.

Have you received a copy?

The Greenshields Catalogue is invaluable to those who prefer to base their investing on facts rather than on opinions.

The new 3rd edition gives capitalization, financial standing, and earnings over a period of years, etc. on over 50 leading Canadian securities—analyses and describes them. Copy on request.

Write for Catalogue 4

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also Mount Royal Hotel Building
TORONTO 14 King Street E.
OTTAWA 46 Elgin Street

MR. BEATTY IS RIGHT

(Victoria Times)

Mr. E. W. Beatty agrees with those who have said that Canada is not as conspicuously in the public eye in Great Britain as she should be.

The president of the Canadian Pacific Railway has expressed the sentiments of many Canadians who have visited the Old Country during the last twelve months. Residents of this Dominion would get precious little news of their native or adopted land while on the other side of the Atlantic if it were not for the newspapers sent to them by their friends and relatives in Canada. With the exception of the Daily Mail, which publishes a column of Empire paragraphs every day, Canadian news for the most part is limited to one or two Reuter cables and an occasional dispatch from a special correspondent when events of exceptional importance break. Of news dealing with current events, political and commercial, there is generally a woeful absence.

Government and Municipal Bonds
Bought — Sold — Quoted

Wood Gundy & Co.
Montreal 36 King St. West New York
Winnipeg Toronto London, Eng.

McDougall & Cowans
Members of the Montreal Stock Exchange
130 St. James Street
STOCK BROKERS
HALIFAX ST. JOHN, N.B. QUEBEC
OTTAWA TORONTO WINNIPEG
MONTREAL
Direct Private Wire to all Branches and New York

Mr. H. Rupert Bain
of Bain, Snowball & Co.

wishes to announce the withdrawal from partnership of Mr. Ralph D. Snowball. The business will be carried on under the firm name of

H. R. Bain & Company Ltd.
TORONTO

$75,000.00
County of Renfrew
6% Bonds Due 1925-1944
Legal Opinion—J. B. Clarke, K.C.
Denominations: $1,000 and odd amounts
We offer the above,
subject to prior sale and change in price.

Maturities: 1925-1934 To Yield 5.10%
1935-1944 To Yield 5.05%

Gairdner, Clarke & Co.

312 Bay Street,
Toronto.
Telephone Elgin 2301.

212 Dominion Express Bldg.,
Montreal.
Telephone Main 8323.

We offer
Province of Ontario
20 Year 4½% Gold Bonds - Due 1st September, 1944
Price: 96.75 to yield 4.75%
Denomination: $1,000
Circular giving complete details mailed on request
Orders may be telegraphed at our expense.

Municipal Bankers Corporation
LIMITED
34 King Street, East. Toronto

We offer
Province of Ontario
4½% Twenty Year Gold Bonds due
September 1st, 1944
Principal and Interest, payable
Toronto, Montreal, New York, London, Eng.
Price: 96¾%
Yield: over 4.75%

R. A. DALY & CO.
Members Toronto Stock Exchange
BANK OF TORONTO BLDG.
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50 CONGRESS STREET
BOSTON

New Issue
Province of Ontario
4½% BONDS, DUE SEPT. 1st, 1944
Principal and Interest payable
Toronto, New York or London, Eng.
96.75 AND INTEREST YIELDING **4.75%**

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Main Office: 120 Broadway, New York.

Wembley Exhibition Facing a Big Deficit

LONDON.—Although 10,000,000 people have visited Wembley and the exhibition still has a couple of months to run, officials tell the correspondent of the Wall Street Journal that there will be a deficit of £1,000,000. This will fall on Lloyd's Bank. In return the bank will probably shift most of the burden to the government. Unless, however, the government consents to step in, the bank may have to meet the debt itself. Financing Wembley is more than a single calculation because the home government and most of the dominions are practically decided on repeating the exposition next year.

News and Views of Bond Market

ARE LOOKING FOR DOMINION ISSUE IN HOME MARKET

Bond Dealers Consider Developments Favor This Course

With the return of Hon. J. A. Robb, of Ottawa, from London, the announcement of the Dominion government's financial plans are being awaited as the next major development in the Canadian bond market. There are signs of a clearing of the decks in anticipation that a substantial portion of the forthcoming financing will be done in the home market. Institutional buying indicates that funds are being held in reserve to support the national program. Municipal financing of the near future is likely to be arranged on the basis of immediate issues or held up until after the Dominion financing has been taken care of.

Some recent developments have strengthened the opinion among the bond dealers that a substantial portion of the funds desired by Mr. Robb will be secured in Canada. There has been a slackening in the strong demand which has been steadily advancing prices in New York, together with an advance in the value of the Canadian dollar, which renders Wall Street less attractive, particularly for long term financing. However, money could still be secured there on a five or ten-year basis at a lower rate than any capital has been borrowed by the government since the pre-war days and this would be a splendid advertisement of Canada's financial stability. But as to long-term financing it is pointed out that while New York demand for bonds has lost its edge there has been a broader acceptance of the present high bond price levels by Canadian investors as indicated by the absorption of the recent Ontario issue which would warrant the assumption that a great deal of the money represented by the expiring Dominion issue will be available for re-investment in federal bonds on the basis of the prevailing interest rates.

Although there has been a change in the price trend in New York as indicated by declines in the listed issues, the volume of new bond offerings recently has been increasing rather than subsiding, indicating that dealers' interest in new business is keen. New offerings have been priced attractively enough to ensure their rapid absorption. Considerable foreign financing in the New York market is anticipated and this is expected to continue the easier price tendency.

Current issues have included a considerable number of small municipal issues for which the bidding has continued keen and prices firm. Prospective borrowing includes an issue by Ontario but no date is mentioned as yet; it will not likely be announced before the federal borrowing is taken care of.

Dominion Coal One of First Drawing Issues

NEW YORK.—Proposal of the British Empire Steel Corp. to issue $15,000,000 bonds, if approved by preferred shareholders of its subsidiary Dominion Coal Co., recalls that when $7,000,000 first mortgage 5s of the coal company were originally offered in 1905 it was one of the few issues providing for annual drawings of bonds for the sinking fund at a fixed price, rather than giving the trustees the option of buying at a lower price if so obtainable, says the Wall Street Journal. In the case of the Dominion Coal 5s the sinking fund price was 105. Just a week prior to one annual drawing an investor, attracted by the opportunity offered by the sinking fund, ordered one bond from Lee, Higginson & Co. who had headed the offering syndicate. The bankers had some $18,000 bonds on hand and one of them was delivered to the customer with the admonition that out of more than 6,000 bonds outstanding he had small chance of having his bond among the called numbers. When the numbers of the drawn bonds were set forth this particular bond was the sole one called of the 18 the bankers had on hand.

The Bond Deal Probe Extended to England

Representing the attorney-general of Ontario, Frank P. Brennan, solicitor, has gone to London, England, to conduct an inquiry in connection with the purchase of inscribed stock of the province of Ontario and Ontario sterling bonds, which were, as alleged, purchased by the Ontario government through the efforts of Aemilius Jarvis, Sr., and Andrew Pepall, now in California, amounting to a value of over a million pounds sterling, or about five million dollars. Sir John Ferguson, of Lloyds Bank, J. & A. Schimgeour, brokers, and Brown Shipley & Company, are to be examined by authority of a commission issued by the Supreme Court of Ontario.

Bay Sulphite-Port Alfred Bond Changes

Port Alfred Pulp and Paper Corp. first mortgage 6½ per cent. bonds will soon be ready for delivery. Bonds of Bay Sulphite are to be deposited for exchange, says Montreal Trust Co. The first interest coupon on the Port Alfred Corporation bonds will be payable Oct. 1, and holders of the Bay Sulphite Company bonds should deposit such bonds with as little delay as possible, in order to avoid delay in collection of their Oct. 1 interest. It is understood from those in touch with the situation that the recent operations conducted by the Port Alfred Company have been entirely satisfactory. Production costs during July were the lowest in the history of the business, while output for the whole of the present year has been sold at satisfactory prices.

August Bond Sales

Canadian bond sales in August totalled $26,881,183, which brings the total for the year to date to $268,498,271. The record is as follows:

Municipal	$ 4,306,183
Corporation	2,575,000
Provincial	20,000,000
Total for August	$26,881,183
Year to Date	
January	$80,354,915
February	20,485,263
March	15,938,712
April	24,458,501
May	14,069,550
June	†31,351,367
July	54,958,780
August	26,881,183
	$268,498,271

x—Includes Newfoundland, $3,000,000.
†—Includes $15,000,000 Quebec issue turned over to Banque Nationale in connection with absorption with Banque d'Hochelaga.

Interesting Bond Issues

Laurentian Power 6's Yield 6.40%

From Our Own Correspondent.

MONTREAL.—Good public utility bonds to yield more than 6 per cent. are very scarce now, and the better issues are all selling to give less than a 6 per cent. yield. Even some of the issues that had been selling at low levels to yield 7 per cent. or thereabouts for a long time, have recently taken a spurt and stepped into line with other issues. Such, for instance, are Montreal Public Service Corporation bonds and Quebec Railway bonds.

There are still a few issues to yield better than 6 per cent. One of these is Canadian Light and Power, but investors are showing some timidity regarding this issue. The company is not believed to be earning its bond interest although no accurate information has been given out for many years. The company is now one of the new group controlled by the new United Securities Corporation, but it is not certain what its fate will be in the new line up. It is conceivable that the new owners might permit the bond mortgage to be foreclosed.

Yield is About 6.40 Per Cent.

One issue, that is regarded as having real merit and that can be obtained to yield in the neighborhood of 6.40 per cent., is the first and refunding mortgage bond issue of Laurentian Power. This issue of 6 per cent. thirty year bonds, due in 1936, was offered selling at around 88 to 89 three years ago, but is now quoted at around 96. It is felt though that the issue should rank with many other 6's selling closer to par.

Laurentian Power has a plant near Quebec City where it is developing some 10,000 h.p. of energy. It has an installed capacity of 18,000 h.p., but it has never been able to market its complete supply of power. The 10,000 h.p. is sold to the Quebec Railway Light Heat and Power Company, and this contract runs for a term somewhat longer than the term of the bonds.

One advantage the company has is that its water power site is owned in fee simple. No rental is paid whatever, the title going back to the original grant in 1636. This site can develop in time 24,000 h.p., which indicates the possibility of greater earning power for the company in years to come, as increasing demands for power make further development advisable.

Gross Earnings Have Grown

Earnings during the past few years have given ample protection for bond interest. Expenses have increased considerably due to various causes including ice troubles and low water, and also due to the completion of the government storage dam for which rentals of over $25,000 a year must now be paid. This dam, however, will obviate low water troubles in the future and will also make possible an enlarged development for the company when found desirable.

Gross earnings have also increased. For the year ended March 31 last bond interest was earned almost twice. The record of earnings available for bond interest has been as follows for the past three years:

	1922	1923	1924
Power sales	$220,000	$199,800	$211,531
Oper. exp.	49,706	46,791	73,387
Oper. rev.	$170,294	$153,009	$138,144
Other inc.	1,062	1,471	1,621
Total net	$171,356	$154,480	$139,765
Bond int.	78,303	80,437	79,106
Available for deprec., taxes, etc.	$93,053	$ 74,043	$ 60,659

The bonds are payable in both Canada and New York. There is a total of around $1,000,000 outstanding in addition to about $300,000 which are held in escrow to redeem a like amount of underlying bonds, which are due in 1931.

FOREIGN LOANS TO BE FLOATED IN THE STATES

Likely to be at Higher Rate Than the Recent Loans

NEW YORK.—International bankers assure your correspondent that a marked revival of foreign borrowing in the United States will occur this fall. A number of American bankers have spent the greater part of the summer in Europe and are said to have effected important connections, of one kind or another, which will lead to the borrowing of a large volume of both commercial and investment capital in this market before the close of the year. Although this borrowing will be "private" in the sense that it will not be the result of negotiations sponsored by the United States government, it is believed here that Mr. Mellon, as the result of his recent trip abroad, will undoubtedly have "his finger in the pie." Mr. Mellon will be brought into the negotiations partly on account of his official position and partly on account of the fact that he is a banker by profession.

There is already some discussion of the rate at which the forthcoming loans will be floated. It is apparent that the European loans must compete with tax exempt American securities, and that as a result, the rate of interest at which they will be sold must be higher than it otherwise would be. Eight or nine per cent. will be the interest rate, some bankers tell THE FINANCIAL POST. In some cases the proposed issues may have to be sold at prices to yield as much as 12 per cent.

The fact that the forthcoming issues must compete with tax exempt securities of domestic origin, is calling forth the prediction, that the United States Treasury Department must find a way to either curtail the issuance of tax exempt securities or eventually forfeit the financial leadership of the world to which New York is said to aspire. Although it may be possible for the time being to exact rates as high as twelve per cent. from hard-pressed German industrialists, with the recovery of a marked degree of Europe's pre-war industrial and commercial strength, such rates will no longer be obtainable.

American Loan Would Help the French Issues

NEW YORK.—Shrewd bond traders have been picking up French issues, particularly the 8s, since announcement was made by Dow, Jones & Co. that the French government may secure extensive financial assistance through the American market, perhaps as much as $150,000,000. With the decline of the 8s from the high of 109 this month to less than 105 this week, bond traders feel that if any loan is to be offered here the French bonds must make a better showing than at the moment. The heavy sinking fund on the 8s, $4,400,000 yearly, for purchase of bonds up to 110 until December 15, 1925, and thereafter by lot at that price, which will retire the entire issue by maturity, makes them specially desirable.

UNLISTED BONDS

(Montreal Stock Exchange)

	Bid	Asked
Abitibi 6% 1940	95⅛	96
Alabama 5% 1962	80½	81¼
Algoma Steel 5% 1962	33	..
Belding 5% 1936	86	..
Belgo Can. Paper 6% 1943	95¼	96
Brand-Henderson 6% 1939	..	91
Burns, P. & Co. 6½% 1943	98	100
Can. National Rly. 5% 1954	101¼	102¼
Calgary Brewing 5% 1942	78	..
Can. Steamship Lines 7% 1942	95¾	96
Can. Light & Power 5% 1949	81¼	82
Can. Pacific Rly. 5% 1934	99	99¾
Can. Steel Foundries 6% 1936	98¼	..
Dom. Iron 5% 1939	..	65
Dom. Power 5% 1932	91	..
Dom. Textile 6% 1949	102¼	..
East Koot. Power 7% 1942	101	102
Fraser Co. 8% 1941	105	105¼
Frontenac Brewery 6% 1951	..	88
G.T.P. 4% 1955	72½	..
G.T.P. Sup. 4% 1955	73	..
Holt, Renfrew 5% 1937	..	96
H. Smith Paper 7% 1941	..	95¼
Lake Sup. Paper 6% 1941	105	..
Laurentide Power 5% 1946	97½	98¾
Laurentian Power 6% 1936	94¼	95¼
Maple Leaf Milling 6½% 1943	101	..
Maisonneuve 5% 1954	98¼	..
Man. Power 7% 1941	99¾	100¼
Mattagami	25	35
Montreal Pub. Ser. 5% 1942	87	87¼
Montreal Steel Works 6% 1940	99	..
Province of Ontario 5% 1948	101¼	102¼
Nor. Ont. Power 6% 1931	94	95¾
Ontario Pulp 6% 1931	105	..
Price Bros.	98⅜	99¼
Paton Mfg. Co. 6% 1953	93	94
Shaw. Cotton 6% 1949	..	78
Shawinigan 5½% 1950	..	102¼
Shawinigan 6% 1950	..	105¼
South Canada Power 6% 1949	101	101¼
Spanish River 8% 1941	..	107¼
St. Maurice Power 6½% 1953	104⅛	105⅜
Wabasso Cotton 7% 1942	..	93¼
Windsor Hotel 6½% 1943	100¼	..
West. Koot. Power 6% 1943	100¼	..
West. Power 5% 1949	90⅛	..
West. Power 7% 1926 debs.	98	..
Quebec Power 6% 1953	99	99⅜
N.S. Steel 6% debs	49½	60
Electrical Dev. 5% 1933	98⅛	99
St. Law. Sugar 6% 1932	89	..

BOND MOVEMENTS OF THE WEEK

WEEK ENDING SEPTEMBER 2

BONDS	Int. Rate	Due Year	Yield	Range 1923 High	Range 1923 Low	Range 1924 High	Range 1924 Low	Ask	Latest Price Bid	Latest Price High	Low
Asbestos	5	1942	7.17	90	79	83½	75	79	—	78¼	—
Canada Cement	6	1929	5.53	103½	100	103½	100	102½	—	102	—
Can. Cottons	5	1940	6.11	90	85⅜	90½	88⅜	—	88½	88⅜	—
Dom. Canners	6	1940	6.19	98⅜	95¼	98	97¼	—	97⅛	98	—
Dom. Textile (A)	6	1925	6.00	100⅜	99¼	101⅛	100	100¼	100	100	—
Do. (C)	6	1925	6.00	100½	100	101⅛	100	—	100	100	—
Quebec Rly.	5	1939	6.02	83½	68	90	80	91	89½	90	89
Wayagamack	6	1951	7.89	86¾	75	80¾	74⅜	79	78½	79	77
War Loan	5	1925	4.20	100.95	99.10	101.15	100.15	101.00	100.90	100.85	100.60
Do.	5	1931	4.76	101.80	99.80	101.90	100.15	101.50	101.40	101.30	101.00
Do.	5	1937	4.65	103.30	102.00	103.30	102.10	103.30	103.20	103.30	102.90
Victory Loan	5½	1924	3.75	101.65	99.80	100.95	99.95	100.20	100.10	100.06	100.05
Do.	5½	1927	4.59	103.50	101.00	103.15	102.15	102.85	102.75	102.85	102.50
Do.	5½	1933	4.75	106.70	104.15	106.65	104.30	105.60	105.50	105.70	105.35
Do.	5½	1934	4.95	103.90	101.30	104.25	103.00	104.30	104.20	104.25	103.95
Do.	5½	1937	4.69	108.45	105.25	108.20	106.30	108.10	108.00	108.20	107.95
Do. Renewal	5½	1927	4.95	102.80	100.75	101.90	101.00	101.90	101.70	101.50	101.40
Do. "	5½	1932	5.00	103.15	100.80	103.25	101.35	103.30	103.20	103.20	103.05
Do. Refund.	5	1928	4.93	99.70	98.80	100.50	99.40	100.25	100.15	100.35	100.10
Do. "	5	1943	4.79	99.25	97.90	102.85	99.90	102.60	102.50	102.85	102.35

New Issue
PROVINCE of ONTARIO
4½% Gold Bonds,
Due 1st September, 1944,
Price 96¾ and Interest,
Yielding over 4.75%,
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BROWN CORPORATION

A typographical error last week was responsible for giving the bonded indebtedness of Brown Corporation at $11,400,000. This should have read $1,400,000. Those who are filing the pulp and paper supplement for investment reference may be interested in noting this correction in their copy.

TORONTO BOND EXCHANGE
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6½% First Mortgage 15 Yr. Sinking Fund Gold Bonds
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and accrued interest to yield 6.65%
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Canada Trust Bldg., 14 King St. East, Toronto
Members Montreal Stock Exchange *Members Toronto Stock Exchange*

OSLER & HAMMOND
Stock Brokers and Financial Agents
Members
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Montreal Stock Exchange
21 JORDAN STREET - TORONTO

The Week's Bond Sales

NO BIDS RECEIVED

No bids were received by the town of Hawkesbury for its issue of $18,561.78, 6 per cent., 20-year bonds.

MIDDLETON, N.S., ISSUE

W. F. Mahon & Co., Halifax, have been awarded $39,000, 30-year, 5 per cent. bonds of town of Middleton, N.S., at 99.169.

BRIDGEWATER, N.S., ISSUE

Johnston and Ward and W. F. Mahon and Co. have purchased $45,000 bonds of Bridgewater, N.S. They are 30-year 5 per cents.

CANSO, N.S., SALE

Royal Securities Corp. have been awarded an issue of $23,000, 30-year, 5½ per cent. serial bonds of town of Canso, N.S., at 100.57.

N. S. HIGHWAY ISSUE

An issue of $50,000 province of Nova Scotia highway notes, guaranteed by the province of Nova Scotia and issued for the counties of Cumberland and Halifax, were sold to W. F. Mahon & Co., Halifax, at 99.65. They are 10-year, 5 per cents.

MEAFORD BOND ISSUE

Meaford has sold $30,000 6 per cent., 30-instalment bonds to Wood, Gundy & Co. at 106.17. The tenders:

Wood, Gundy & Co.	106.17
Macneill, Graham & Co.	106.11
C. H. Burgess & Co.	105.87
Nesbitt, Thompson & Co.	105.77
Bell, Gouinlock & Co.	105.77
McLeod, Young, Weir & Co.	105.67
Municipal Bankers' Corp.	105.60
G. A. Stimson & Co.	104.90
R. A. Daly & Co.	104.60

FREDERICTON SCHOOL BONDS

An issue of $150,000, 5½ per cent. serial debentures of Fredericton, N.B., have been sold to J. M. Robinson & Co. at 103.9. The funds are for school purposes. The bids:

J. M. Robinson & Co.	103.09
Bank of Nova Scotia and R. A. Daly & Co.	108.066
Macneill, Graham & Co.	102.87
Eastern Securities Corp.	101.83
McLeod, Young, Weir & Co.	101.77
Wood, Gundy & Co.	101.69
Dominion Securities Corp.	101.53

OSHAWA SALE

Wood, Gundy & Co., with a bid of 99.216, were successful in securing the Oshawa bond offering of $304,897.40. The bonds are 20-year, coupon bearing, 5 per cents. Some months ago Wood, Gundy & Co. bought an issue of Oshawa of a similar nature, $533,027, at 95.19, the basis being 5.56 as compared with the present of 5.30. The bids:

Wood, Gundy & Co.	96.216
Dominion Development Corp.	95.64
McLeod, Young, Weir & Co.	95.62
W. A. Mackenzie & Co.	95.595
Bell Gouinlock	94.89

BOSANQUET TP. BONDS

Matthews & Co. were awarded the $21,000 Bosanquet debenture issue at 102.95. They are 10 year, 6 per cents. The bids were:

Matthews & Co.	102.95
Bell, Gouinlock & Co.	102.90
Dyment, Anderson & Co.	102.90
Wood, Gundy & Co.	102.61
Bird, Harris & Co.	102.53
Macneill, Graham & Co.	102.47
McLeod, Young, Weir & Co.	102.28
C. H. Burgess & Co.	101.83
McKay & McKay	101.50
W. C. Brent & Co.	101.31

SENNEVILLE VILLAGE, P.Q.

Mackenzie & Kingman were awarded the $25,000, 5½ per cent. instalment bonds maturing January 1, 1949, of the village of Senneville, P.Q., at a bid of 101.036. The tenders were:

Mackenzie & Kingman	101.036
Credit Canadien	100.616
Dominion Securities Corp.	100.27
A. E. Ames & Co.	100.177
Credit Anglo-Francais	99.92
Hanson Bros.	99.86
Municipal Bankers' Corp.	99.37
Mead & Co.	99.177
Rene T. Leclerc	99.

ORILLIA DEBENTURES

Keen bidding featured the sale of $100,000 debentures of Orillia which were awarded to Wood, Gundy & Co., at 97.67. The bonds are 5 per cent. serial and $36,000 is to provide for sidewalks and $74,000 sewers. The tenders:

Wood, Gundy & Co.	97.67
Gairdner, Clarke & Co.	97.61
Royal Securities Corp.	97.60
Dyment, Anderson & Co.	97.58
C. H. Burgess & Co.	97.56
Dominion Securities Corp.	97.532
Bell, Gouinlock & Co.	97.41
A. E. Ames & Co.	97.31
Murray & Co.	97.27
W. A. Mackenzie & Co.	97.17
McLeod, Young, Weir & Co.	97.16
MacNeill Graham & Co.	97.08
Matthews & Co.	97.114
G. A. Stimson & Co.	97.003
Municipal Bankers Corp.	96.99
Bird, Harris & Co.	96.09
Dominion Development Corp.	95.23

Tenders and By-laws

Sept. 5, Goderich.—$143,000, 5½ per cent., 15 and 30-yr. debentures. L. L. Knox, town treasurer.

Sept. 8, Counties of Stormont, Dundas and Glengary—$150,000, 5½% debentures repayable in 20 years. James R. Simpson, counties' clerk.

Sept. 8, Vancouver.—$735,000, 5%, 15 and 40-yrs. A. J. Pilkington, city comptroller.

Sept. 8, Chateauguay, Que.—$5,000, 6 per cent., 20-yr. bonds. Hector Villard, sec.-treas.

Sept. 8, St. Joseph d'Alma, Que. — $22,000, 5½ per cent., 10-yr. debentures. Eug. Boivin, sec.-treas.

Sept. 15, Owen Sound.—$42,000, 5½ per cent. school debentures, maturing 1944. A. F. Armstrong, city treasurer. (See announcement on page 16).

Sept. 15, Lachine, Que.—$12,000 school debentures, 5½ per cent., due 1950. S. G. Grimston, sec.-treas, high school.

Sept. 17, Joliette.—$50,000, 5 and 5½ per cent., 10 and 20-year bonds. A. L. Marsolais, sec.-treas.

Sept. 15, St. Anne Village, Que. — $46,000, 5½ per cent. debentures. D. J. Brassard, sec.-treas.

Sept. 8, Township of Barton—$50,000, 5½%, 20-yr. bonds. Reeve, Township of Barton, Court House, Hamilton. (See announcement on page 16.)

Sept. 17, County of Victoria. — $3,000 Dominion of Canada bonds, 5%, due March 1, 1937; $3,000 province of Ontario bonds, 6%, due Feb. 1, 1928, and $2,000, 6% due May 2, 1936.

$5,000, Town of Lindsay debentures, 5½%, due Feb. 2, 1940. J. R. McNeillie, Treasurer.

SASKATCHEWAN

List of authorizations granted by the board from August 15 to August 28, 1924.

Schools: Marienthal, $3,000; Oxford Plains, $1,000; Falkland, $4,500; Melville, $800.

Rural telephones: Three Rivers, $1,800.

Schools: Observation, $500; Wallacetown, $2,000; Loon Creek, $5,000.

Rural telephones: Ernscliffe, $200; Gray, $1,200.

City: Regina, $22,770.

List of debentures reported sold from August 15 to August 28, 1924.

Schools: Curwood, No. 4577, $4,400, 15 yrs., 6½ per cent., Regina Brokerage & Invest. Co., Regina; Lindsay, No. 41, $1,000, 10 yrs., 6¾ per cent., town of Melfort Sinking Fund; Uhrynow, No. 2405, $1,500, 10 yrs., 6¾ per cent., C. C. Cross & Co., Regina; Boxelder Creek, No. 2975, $600, 10 yrs., 8 per cent., C. C. Cross & Co., Regina; Gordon, No. 682, $5,500, 15 yrs., 6½ per cent., Regina Brokerage & Invest. Co., Regina; Toledo, No. 4402, $2,000, 10 yrs., 6½ per cent., Great West Life Assurance Co., Winnipeg; Airlie, No. 880, $1,500, 10 yrs., 6½ per cent., Regina Brokerage & Inv. Co., Regina; Campbelltown, No. 2297, $3,000, 15 yrs., 6⅜ per cent., Regina Brokerage & Invest. Co.; Progress Hill, No. 2732, $2,700, 10 yrs., 6½ per cent., Regina P. S. D. Sinking Fund.

BRITISH COLUMBIA

The following certificates have been issued by the municipal department of the Province of British Columbia upon the following dates:

July 19, 1924—Grand Forks, Grand Forks School Debenture By-law, 1924, $20,000, payable in twenty years at 6 per cent.; July 31, North Vancouver, Lynn Creek Bridge loan, $33,500, payable in thirty years, at 5½ per cent.; July 31, 1924—North Vancouver, Bridge Connecting Road Loan, $42,500, payable in twenty years at 5½ per cent.; Aug. 2, 1924—District of North Vancouver, the Lynn Creek Bridge Loan, $33,500, payable in thirty years at 5½ per cent.; Aug. 2, 1924—District of North Vancouver, Keith Lynn Bridge Loan, $4,000, payable in thirty years at 5½ per cent.; Aug. 2, 1924—District of North Vancouver, Main Street Loan, $8,000, payable in thirty years at 5½ per cent.; Aug. 4, 1924—City of Armstrong, Road By-law, $11,000, payable in twenty years at 5½ per cent.

Municipal and Provincial Finance

UNIFORM SYSTEM OF ACCOUNTING IS A NECESSITY

Only Means of Protecting Funds and Gauging Progress of Municipalities

By ARTHUR K. BUNNELL,
City Treasurer, Brantford, in address to Ontario Municipal Association.

The growth and development of municipal activities is one of the outstanding phenomena of the present day, and the ever-increasing burden of civic taxation and volume of public debt are matters of vital importance to the taxpayers and to all well wishers of the province and the Dominion.

In early days, when municipal functions were confined to the simple requirements of a community, largely agricultural, very little was necessary in the way of accounting, but with the growth of industrialism, the installation of water works, lighting, power and street railway systems owned and operated by the public, the construction of permanent highways, consequent upon motor transport, coupled with demands for higher education, sanitation, public health and services of all kinds, modern methods have become absolutely necessary.

Municipal administration cannot achieve its best results, unless supported by an accurate detailed knowledge of expenses and income, of assets and liabilities, and to this end, proper accounting is a vital element, as requisite as light to the eye.

Up to the present time, the cash book accounts are the principal ones kept in the great majority of our municipalities, and it has been said, nothing more is necessary. This may be admitted on the same principle that a small merchant needs nothing more than a cash book, or that a peanut vendor requires no books at all. If the business of a township, village or town, is so small, that all the administrative facts may be held in mind, both by officials and citizens, and the properties and liabilities are not important, then accounting for cash may serve the need. The need for books of account is a relative one.

The cash accounts in the smaller municipalities are generally kept by men without accounting experience, and the periodical analysis usually falls to the auditors. These officials have even a less intimate knowledge of the affairs of the corporation than the treasurer, the result being that "confusion worse confounded" was the order of the day until the legislature of the province brought about an improvement in this direction by the introduction of a uniform system of accounting, the use of which is compulsory. This system is designed for all municipalities having less than fifteen thousand population.

The main considerations sought in the new methods introduced, were simplicity and correctness with a minimum of labor, and it was thought that from these records, an abstract statement of receipts and disbursements, fairly well analysed, might be available, something which was before unobtainable.

A very considerable improvement has come about, by the general use of a uniform cash book, but it is to be noticed that the degree of control excerised by the province, is confined to municipalities of less than fifteen thousand population, and the others comprising the cities, where both expenditures and debts aggregate millions, are a law unto themselves. These larger municipalities are supposed to be able to employ a high class of accounting service, and to have their affairs audited by experts, but seldom are the citizens and taxpayers able to learn from the published reports, or from the accounting officers, the facts necessary to judge as to the efficiency of the administration, in any of its departments, or to make satisfactory comparisons with the cost of similar services in other places.

The following figures as to assessment, taxation and debenture debt, taken from the 7th Municipal Bulletin of the Bureau of Municipal Affairs, for Ontario, while familiar to municipal officials, are quoted for the purpose of bringing home to the public, through this association, the importance of the issues involved. The figures apply to the year 1922:

Assessment, including real property, business and income,	$2,547,588,730
Taxation	58,453,445
Debenture debt	345,114,785
Population	2,738,407
Taxation per head,	21.35
Debenture debt per head	126.
Invested sinking funds	57,421,030

Efficient methods of accounting are essential, not only for the safe-guarding of the funds and the prevention of fraud, but for the measuring and comparing of results and the reflection of financial conditions. Municipal accounts should be devised to meet the following requirements:

1. To furnish information of the operations of the municipality.
2. To reflect its financial condition.
3. To assist the administrative officials in performing their duties, and administrating the trusts imposed upon them.
4. To enable the ratepayers to judge intelligently of the fidelity, efficiency and economy of their chosen officers.

In order that a system of accounts should be able to meet the above requirements, its accounts must be so arranged, and the data recorded therein so classified, that summaries of results are provided along fixed lines, and upon common bases, so that comparisons can be made between the summaries for different fiscal periods and between those of similar departments or activities of different municipalities.

The Bureau of Municipal Affairs of the province, quite properly recognize that simplicity of accounting methods is essential in the large proportion of our municipalities where those in charge have had but little experience in accounting practice, and almost no theoretical training. Simple cash statements usually tax their abilities to the limit. The department further recognizes that it is not advisable to urge radical changes if cash statements, supported by debenture records and a simple form of ledger, can be devised and operated on uniform lines, and in order to bring about the general adoption of such records, has for some time, required the filing of an an annual municipal return by the treasurer of each municipality with the Bureau of Municipal Affairs. This return is supposed to embrace and cover the dealings and financial position of all municipalities of the province, not only those compelled to use the present municipal cash book, but the larger cities whose systems of accounting are without uniformity, and outside of the direction of the provincial municipal auditor. The director of the Bureau of Municipal Affairs, is a very capable official, and in his circular to municipal treasurers, with instructions as to the preparation of the annual return, places emphasis on the following:

1. Accuracy and uniformity in municipal returns are indispensable, in order that statistics prepared from such returns may be of value. If statistics are not correct they are misleading and worse than useless.

2 The return is not intended as a personal cash account of the treasurer, but calls for a complete statement of all the financial transactions of the municipality for the year, whether from day book, journal, ledger or other records, including the bank.

The soundness of the first remark cannot but be admitted by all, but under present conditions it is a practical impossibility to comply with the second. In the first place, the smaller municipalities have very little record other than the cash book, and in the larger municipalities, there is an entire absence of uniformity of any kind, and in the second place, there is very little understanding among the municipal treasurers, as to what is actually required.

Municipal Notes

LUNENBURG'S DEBT

The bonded debt of Lunenburg, N.S., stands at $266,000. The issues are all 4, 4½ and 5 per cent. and are offset by a sinking fund of $36,965.

WALKERTON BORROWS MORE

The town council of Walkerton has empowered the mayor and treasurer to borrow an additional $5,000 from the bank, to cover current expenditures until tax collections are completed. The sum of $40,000 has already been borrowed.

COLBORNE LOWERS TAX RATE

Colborne's citizens have had the pleasure of being informed that their tax rate is being lowered for the coming year from 47 mills to 44 mills. The school levy is down two mills and the village rate, one. The total village assessment is $365,000 which, at a rate of 44 mills will yield approximately $16,000. This amount is expected to meet the current expenditure.

HAMILTON MAKES PROGRESS

Despite the general condition of depression which exists, the City of Hamilton has made appreciable progress during the year. The total amount of real property, business assessment and taxable income for the city now amounts to $150,942,000 as against $144,515,000. The taxable value of land is $49,314,760 and of buildings, $78,014,020 making a total of $127,328,780 The total increase of taxable real property is thus $5,362,340. The population of the city has increased from 120,945 last year to 122,238.

MONTREAL SENDS NOTICES

General approval is expressed by the citizens of Montreal at the inauguration of a system under which notices are sent to all proprietors whose assessments have been increased, stating the amount at which the new assessment has been placed. In previous years there was no such notice sent. Tax payers had to go to the city hall and examine the assessment rolls, and usually had little time to lodge a protest if such was their desire. Protests are invited in writing and it may be taken for granted that fair consideration will be given to any well founded representations that may be made. It is reported that a very large number of assessments have been raised this year.

SALE OF P. G. E. WOULD RELIEVE B. C. FINANCES

Significance Attaches to Inspection of the Line by Officials of National

From Our Own Correspondent.

VICTORIA.—Hopes for the salvation of the Pacific Great Eastern Railway, which has been a constant drain on the exchequer of British Columbia ever since its completion, were revived by publication of reports that the Canadian National Railways proposed to take over the line and use it as a feeder for the main lines between Ashcroft and Prince George.

Premier Oliver, in a statement to THE FINANCIAL POST, denied responsibility for statements published in coast newspapers to the effect that a definite offer had been made by the Canadian National for the P. G. E. He even stated that what had been described as a successful conference between him and Mr. McLeod was not a conference at all and that the question of transferring ownership of the road had not even been mentioned.

It is known, however, that Mr. McLeod has made a report to Sir Henry Thornton, as he was instructed to do by his chief, following the latter's recent visit to the coast, and it is also known that Mr. McLeod and other officials of the Canadian National are now making a further inspection of the provincial government's railway.

Mr. McLeod is said to have made an offer on behalf of the Canadian National Railways to take over the Pacific Great Eastern as it stands, from Clinton north to Quesnel. The consideration involved has never been mentioned. Premier Oliver has often intimated to your correspondent that his government would be glad to dispose of the railroad at cost, but he has always accompanied the remark with a smile and twinkle in his eye indicating that the government would be exceedingly happy to part with the road for a much lower price than that. Up to date it has cost the government in the neighborhood of $50,000,000 to meet all costs in connection with the P. G. E.

If Mr. McLeod's report were to be adopted, the line from Clinton to Squamish, near Vancouver on the sea coast, would be scrapped and the steel transferred for use between Clinton and Ashcroft, where the P. G. E. would link with the main line. The P. G. E. would be completed north to Prince George to connect with the other main line (G. T. P.)

Tied up with the general scheme for development of the P. G. E. as a revenue producer by the Canadian National system is said to be the provision of a feeder into the Peace River country north of Prince George. In the Peace River country is a vast empire of timber and agricultural land awaiting exploitation and with transportation its greatest need. Whether or not to continue the Pacific Great Eastern into the Peace River country has always been a point at issue with the provincial government, some maintaining that such a plan pointed the only sure way to the financial success of the road, but the government has been hesitant to go to any further expense, especially in view of constantly recurring reports that both the Canadian Pacific Railway and the Canadian National Railways were considering the advisability of laying steel in that direction. The Canadian Pacific, because of its ownership of the Edmonton & Dunvegan line into the Peace River from the east, has been regarded in some quarters as the logical concern to tap the area from Prince George and then take over the P. G. E., but it would appear from present developments that the Canadian National is the most serious contender.

Central Control of Water Suggested in Vancouver

Considerable progress has been made with a plan to establish joint control of the water supply of three municipalities of Greater Vancouver. It is proposed to ask the legislature to pass a bill appointing a board to control the water system and possibly the sewage drainage system of the metropolitan area. Before going into effect, the whole project will be placed before the electors of the respective municipalities. It is proposed to give the board power to purchase the main water supply systems, issuing debentures for the purpose. It would have power also to purchase lands and timber rights in the North Vancouver watersheds to protect the source of supply, and to carry on the business of supplying water in bulk to the municipalities comprising Greater Vancouver. A point yet to be settled is whether the board's revenue will be raised by a tax on the assessed land values in each district or by the payment of a uniform rate per unit of volume for water actually delivered.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES.

Date	Place	Purpose	Municipal Sold To—	Rate	Maturity	Amount	Price	Yield
Aug.	—Middleton, N.S.		W. F. Mahon & Co., Halifax	5%	1954	$39,000	99.169	5.05
Aug.	—Bridgewater, N.S.		W. F. Mahon & Co., Halifax	5%	1954	45,000	....	....
Aug.	—Counties of Cumberland and Halifax	Highway	W. F. Mahon and Johnston, Ward & Co.	5%	1934	50,000	99.65	5.05
Aug. 23	—Canso, N.S.		Royal Securities Corp.	5½%	1954	23,000	100.57	5.46
Sept. 1	—Bosanquet Twp.		Matthews & Co.	6%	1934	21,000	102.95	5.60
Aug. 28	—Oshawa		Wood, Gundy & Co.	5%	1944	304,897	96.216	5.30
Aug.	—Victoria	Cemetery	R. P. Clarke & Co.	.....	....	10,000	99.32	....
Aug.	—Meaford		Wood, Gundy & Co.	6%	1954	30,000	106.17	5.45
Aug.	—Longueuil, Que.		Locally	.....	....	85,000	....	....
Aug. 28	—Saskatchewan	Schools, etc.	Various	.....	....	41,300	....	....
Aug.	—Fredericton, N.B.	School	J. W. Robinson & Co.	5½%	Serial	150,000	103.09	....
Sept. 2	—Senneville Village, P.Q.		Mackenzie & Kingman	5½%	1949	25,000	101.036	5.40
Sept. 2	—Orillia		Wood, Gundy & Co.	5%	1944	110,000	97.67	5.20

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MANY HAZARDS IN TRANSPORTATION MAY BE COVERED

Modern Business Methods Open New Uses For Insurance

The report from New York a week ago of a hold-up in which the thugs attacked a truck-load of silks, kidnapped the driver, and drove off with the goods, calls attention to the many hazards in transporting goods. Communication has developed so rapidly in recent years that business has evolved a system by which frequent and rapid transportation of goods is necessary. Manufacturers, wholesalers and retailers alike are vitally interested in the problems connected with this movement of goods.

Use of Trucks Grows

With the improvement of our highways the use of the motor truck has increased. For city and inter-urban traffic it is widely used and it is being utilized more frequently for long hauls than ever before. The materials transported in this way are subject to dangers such as fire, collapse of bridges, collision, theft, pilferage, etc. The insurance companies, adapting their facilities to the new situation, now offer policies to indemnify owners for loss from various causes.

The first consideration in placing such insurance is whether the owner of the goods carries it on his own trucks or employs others to do it for him. The extent to which owners use their own trucks is readily realized and the practice of carrying insurance on them is common. However, many do not appreciate the extent to which public trucks are used. A great volume of trucking is done by the latter for those who have no trucks of their own, while those with truck fleets of their own find it necessary to employ others at times when shipments are heavy.

Public Truck Transit

Many public trucks are covered by cargo policies, giving protection against a number of hazards, not including theft. However, it is primarily the owner of the goods and not the truckman who is interested in the safety of the goods. On account of this owners are often disposed to carry insurance themselves. Their protection is definite as they know that the insurance is kept in force, and the amount is adequate to cover the value of the goods. Some insurance companies offer broad policies which protect the goods, whether they are being carried in the owner's or a public truck.

Express Shipments

Large quantities of goods, too, are shipped by express because of the quick service over long distances. It is, of course, true that the express companies assume a certain amount of liability, but there are limitations to this.

Unless the shipper by express declares a value for the shipment, and pays charges based upon such valuation, he cannot recover in excess of $50 on any one case or package—or 50 cents per pound if in excess of 100 pounds. If he declares a value greater than $50 and pays at the rate of 10 cents per $100 of value, he is entitled to present a claim for the declared value in the event of a loss. The policies issues direct to shippers by some companies are broad, covering loss from theft, pilferage, short or non-delivery, etc.

A Model Policy

Transportation insurance has grown so that some shippers desire protection against all their transportation hazards. The policy issued by one company to meet this demand is described as follows:

"This form of policy covers property insured at and in transit between points or places in the United States or Canada by railroads, express, licensed public truckmen, ferries, sound and/or inland steamers and by regular coastwise lines of steamers navigating between inland, Atlantic and United States gulf waters including risk of craft to and from vessel.

"The perils insured against are all risks of fire, lightning, cyclone, tornado, flood (meaning rising navigable waters), and navigation and transportation, including risks in and/or on docks, wharves, piers, and/or bulkheads, landing sheds, depots, stations and/or platforms awaiting shipment and/or after arrival, from the time of leaving the warehouse, store or factory shipper until safely delivered to warehouse, store or factory of consignee, covering only while goods are actually in transit and at the risk of the assured. It also includes coverage against theft of entire shipping packages, and in some cases pilferage, while in transit in the custody of a common carrier or other bailee."

HAD WIDE EXPERIENCE

The appointment of E. Stuart Taylor to the position of superintendent of agents of the Crown Life Insurance Company is an evidence of the growth of the company, which expects to secure $18,000,000 of new business in 1924. Mr. Taylor is a Montrealer by birth, and obtained his education in the Montreal schools and at Mount St. Louis College.

After leaving school he had some general business experience and entered the Sun Life Assurance Company in 1905. He commenced in the foreign accounting department and in 1912 he was transferred to the agency department. Four years later his ability and industry were rewarded by his elevation to the position of secretary of home agencies.

Mr. Taylor has also had experience as a personal writer in the Sun Life Montreal agency, where he proved highly successful. He was president of the Montreal Life Underwriters' Association, in which position he rendered valuable service and became widely acquainted among insurance men not only of that city but of the whole Dominion.

Fatal Accident on Day Life Policy Was Issued

The case of William Guittard, of Winnipeg, says the London Life "Nuggets," reflects the ever-present need for life insurance.

Last March Mr. Guittard applied to the London Life Insurance Company for a $5,000 endowment policy on the preliminary term payment plan, naming his mother as beneficiary. He was then nineteen years old, engaged at driving a milk wagon, and in perfect health. His application showed an exceptionally fine report of his physical condition, and in every way, both in regard to health and habits, he seemed likely to live for years.

On June 28, the exact day on which his policy was dated, Mr. Guittard went to Winnipeg Beach for a holiday. Owing to misunderstanding or misinformation, he dived from one of the piers into two feet of water, and his head coming in contact with the sodden sand, he fractured one of the vertebrae of his neck. The unfortunate young man died in St. Boniface Hospital on July 25.

Dispute Over Marine Rates Not Yet Settled

The concessions announced recently in connection with the dispute over marine insurance rates on hulls and cargoes for Canadians, have not settled the difficulties satisfactorily. Following the investigation of the Imperial Shipping Committee the British underwriters announced an extension of the summer rates to October 31 instead of October 1.

It was stipulated in the order that the removal of the discrimination should extend no farther north than the forty-fifth parallel of latitude on the Atlantic coast and no farther north than the fiftieth parallel on the Pacific coast. The former would include Halifax. but would exclude St. John (actually not many miles farther north) and the St. Lawrence ports, and the latter would exclude Prince Rupert, where efforts are being made to develop ocean trade.

Consequently strenuous objection was made to the new arrangement. It is understood that Hon. P. C. Larkin, Canadian High Commissioner in London, is attempting to have the discrimination removed against St. John and Prince Rupert, and eventually the St. Lawrence ports.

NORTHERN LIFE DIRECTOR

The Northern Life Assurance Company has elected to its board of directors Dr. J. H. McConnell, Toronto. Dr. McConnell is also vice-president of the Union Trust Company, Toronto, a member of the Corporation of Trinity College. In 1923 he was vice-president of the Academy of Medicine.

LARGE U.S. RAILWAY TAKES $50,000,000 INSURANCE POLICY

Employee May Add to Amount; Disability Clause Included

According to an announcement made by Vice-president Cammack, the employees of the Northern Pacific Railway have been insured under a group plan with the Aetna Life.

Under the plan, every employee who has completed a probationary term of service is insured for an amount payable at death. This insurance is paid for entirely by the railroad. The employees will be allowed to take out additional insurance to be paid for jointly by the railroad and by the employees.

If an employee becomes totally and permanently disabled before age 60, the insurance is payable immediately instead of at death.

Approximately 25.000 employees will participate in the benefits of the plan, and the business, involving some $50,000,000 of insurance, is one of the largest transactions ever consummated in the history of life insurance.

While the adverse business conditions since 1920 have undoubtedly kept some companies from entering group plans, this form of insurance steadily grows. Its benefits are emphasized by the company's announcement, which says:

"This is another indication of how group insurance is becoming a permanent factor in American industry. It is a medium through which the benefits of life insurance have been extended to millions of our population and particularly to those who need insurance most. The good that is being accomplished through it from a community standpoint, is apparent. Appreciation of employees of the opportunity to purchase insurance under the plan of group insurance and an understanding of its benefits from the employer's standpoint is proven by the rapid and remarkable growth of the business."

ELECT NEW OFFICERS

Edward A. Collins, Assistant Secretary of the National Surety Company, and director of advertising, extended to banking and financial houses, has been elected President of the Insurance Advertising Conference, an association of all of the advertising and publicity men of American and Canadian insurance companies.

Other officers elected are: R. L. Clark, vice-president, S. F. Withe, sec.-treas.; C. A. Palmer, E. L. Sullivan, Luther B. Little, J. G. Mays and A. H. Reddall, members of the executive.

Insurance Plans Bought Show Uniformity Over Past 5 Years

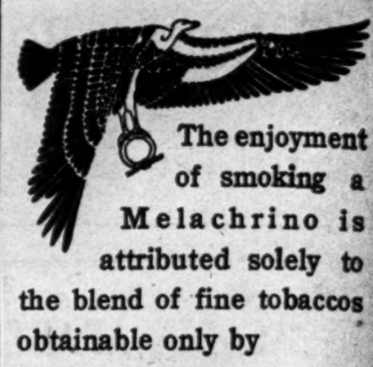
Are the buyers of life insurance in Canada seeking cheaper or dearer plans than in former years? An examination of the returns, as given by the Mutual Life, shows an astonishing uniformity from year to year in the proportion of life, endowment and term insurances purchased. It will be seen from the accompanying figures that for five years the average of the three plans has been 68, 21 and 11 per cent. respectively. There has been no perceptible change on account of the introduction of special policies, but with such figures it would require a very heavy demand for a new type of policy to disturb the equilibrium very much. Between the years 1919-1920 for reasons that do not appear there was a jump in the amount of term insurance bought, and a corresponding slump in the amount of life, but this is practically the only deviation from the normal that occurs in the whole of the last five years in Canadian life insurance.

The table is as follows:

Year	Life	Proportion of Total	Endowment	Proportion of Total	Term, Etc.	Proportion of Total
1919	$ 408,280,760	71.27%	$122,386,572	21.36%	$ 42,233,098	7.37%
1920	450,263,474	64.43	140,656,412	20.13	107,956,064	15.44
1921	396,184,536	68.64	128,677,645	22.29	52,321,822	9.07
1922	398,635,164	68.84	116,070,158	20.04	64,385,080	11.12
1923	429,336,779	68.04	135,960,456	21.55	65,727,674	10.41
	$2,082,700,713	68.08%	$643,751,243	21.05%	$332,623,738	10.87%

The Record of Fire Losses in Canada

Place	Property	Date	Damage	Insurance	Cause
Nova Scotia					
Sydney	A. MacDonald barn and two autos	Aug. 23	total	......	......
Bass River	R. Fulton, 2 barns	Aug. 25	total	......	unknown
Bridgeville	A. Cameron barn	Aug. 24	total	......	......
New Brunswick					
St. John	M. Coholan residence	Aug. 25	total	partial	......
St. John	M. Thornton residence	Aug. 25	total	fully	......
Hillsboro	A. A. Stevens residence and barn	Aug. 24	10,000	partial	defect. chim'y
Florenceville	A. McLean barn and crop	Aug. 20	total	400	......
Quebec					
Quebec	"Yellow Taxi" garage	Aug. 23	heavy	none	......
Isle Verte	Brown Corp., pulpwood	Aug. 25	25,000	......	boiler defect.
Quebec	J. Belanger residence	Aug. 25	1,500	......	candle
Verdun	Montieth barns	Aug. 24	6,000	......	......
Beaconsfield	A. Daoust residence	Aug. 25	total	......	unknown
Belmont	M. Albert barn, two deaths	Aug. 26	total	......	......
Ontario					
Belleville	F. Fitzgerald shop	Aug. 26	......	......	explosion
Trowbridge	R. Hamilton barn	Aug. 19	total	......	spon. c'mbust'n
Ottawa	F. Wilson studio	Aug. 25	4,000	fully	unknown
Sidney Crossing	T. Irwin residence	Aug. 24	4,000	2,500	......
North Bay	J. M. Bourk cottage	Aug. 18	3,000	......	fireplace
Elma Twp.	R. Hamilton barn	Aug. 19	total	......	spon. c'mbust'n
Palmerston	Robertson store	Aug. 18	considerable	.....	......
Trenton	J. McQuoid barn	Aug. 21	total	......	......
Cornwall Jct.	N. Y. C. Rly. Station	Aug. 24	total	......	unknown
Eamer Corners	E. Clark barn	Aug. 16	total	......	unknown
Port Credit	G. Smyth residence	Aug. 18	1,500	covered	oil stove
Schrieber	McQuaig Block: Bank of Montreal Post Office	Aug. 28	100,000	......	unknown
Sharpton	J. McEwen barn	Aug. 22	total	......	lightning
Garriton	Johnston dwelling	Aug. 21	total	some	spark
Yarmouth	D. Ferguson barn	Aug. 26	10,000	partial	gas engine
Vaughan	Bowes barn	Aug. 22	8,000	......	......
London	A. Laudie residence	Aug. 29	800	fully	acid explosion
Welland	F. Boyle barn	Aug. 31	3,000	partial	sp'rks or match
Newboro	Lewis Block	Aug. 30	total	......	......
Glenarm	H. D. Raby shop and residence	Aug. 29	heavy	little	unknown
	D. Sinclair, store & res. barns & garage	Aug. 29	heavy	......	......
Manitoba					
St. Boniface	Alsip Brick Co., plant	Aug. 19	1,200	......	overh'ted ov'n
Wynward	Confectionery	Aug. 19	heavy	fully	unknown
Winnipeg	W. Robinson warehouse	Aug. 23	3,000	......	electric wires
Saskatchewan					
Spring Valley	W. Stowel residence	Aug. 14	2,000	......	overh't'd stove
Baildon	Church	Aug. 17	total	fully	lightning
Craik:—					
	A. Wilson store	Aug. 17	40,000	partial	unknown
	F. A. Redding	Aug. 17	2,500	none	......
	E. Rutherford	Aug. 17	300	covered	......
	F. A. Parkes	Aug. 17	400	......	......
Primate	D. Deschner barn	Aug. 15	total	partial	unknown
Alberta					
Taber	M. Fitsworth store	Aug. 17	partial	500	unknown
Empress	School	Aug. 2	24,000	18,000	spon. c'mbust'n
British Columbia					
Port Coquitlam	W. H. Falconer residence	Aug. 17	total	......	unknown
Sidney	J. Bull, barn	Aug. 19	total	......	unknown
Vancouver	J. Coughlan & Sons plant and three buildings	Aug. 30	450,000	......	unknown
	Northwest Dredging Co. boats	Aug. 30	50,000	......	......
Barnes Lake	G. Crossley barn	Aug. —	1,000	......	unknown



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INSURANCE ACTION

Bail of $3,000 has been granted to Constable Anthony Leese, of Streetsville, who is charged with being implicated in the fire which destroyed the Gibbons' home at Streetsville some time ago. It is stated that fire insurance of $2,700 was collected from certain companies. The action now being taken in the courts followed an investigation made by deputy fire marshal Burnett.

BRITISH LABOR GOVERNMENT IS AIDING SETTLERS

Results Have Indicated that Greater Assistance is Necessary

LARGER GRANTS

Overseas Dominions Have Not the Money to Take Advantage of the Assistance Which is Offered

From Our Own Correspondent.

OTTAWA.—The immigration returns for July confirm forecasts made in THE FINANCIAL JOST that, from the way matters are going, it is improbable if there will be much, if any, increase in the volume of immigration this year as compared with that of last year. During the four months of the fiscal year ending July the number of arrivals was 64,023, an increase of a little over 9,000, or 17 per cent., as contrasted with the figures for the same period in 1923. During July the total immigration was 10,776, or 23 per cent. below that for the corresponding month of last year.

Predictions that a change in policy, insofar as the bringing of settlers from the British Isles is concerned, would soon be brought about have also been confirmed through the negotiating by Hon. J. A. Robb of a new agreement with the British government. This means that 3,000 families are to be brought from Great Britain during the next two years, for the agreement becomes operative on March 1 next. The chief change in the arrangement is that the British government undertakes by far the greater responsibility for the placing of these settlers in this country. The families will be selected by the Canadian authorities, and the British government will advance to each family $1,500, which is to be repaid on a long-term basis.

During the last few years much has been said about the excellence of the overseas settlement scheme. True, there was something to recommend it to the public, but, at the same time, it must be said that it was never half as good as it looked. It simply did not bring about the transfer of immigrants from the British Isles to the Dominions to anything like the extent that had been expected. Additional proof of this is to be seen in the fact that of the $1,750,000, which this fund made available last year, only $175 000 was spent. The chief defect lay in the condition that for every dollar put up by the British government, the overseas Dominions were expected to put up another dollar. They simply have not money enough to carry through such a scheme on a large scale.

Hon. Mr. Robb proceeded on the principle that while Canada was eager to get desirable immigrants, it was even more to the interest of the British Isles to send them here, for in proportion as this was done the British government was relieved of paying out money in unemployment doles. It was also quite evident that in increasing its appropriation for the promotion of emigration the British government was not really spending more money, but merely diverting a portion from one source to another. These arguments have apparently appealed strongly to the Labor government.

Advices from London are to the effect that the Labor government is investigating the whole question of emigration with a view to the shaping of a policy. This is the purpose of the approaching visit of the deputation headed by Miss Margaret Bondfield, M.P., who is spoken of by those competent to judge, as a very capable person. This deputation will go into Canadian conditions very thoroughly, and their report will doubtless do much to shape the course of British policy on immigration.

The fact of the matter is, that the British government has to take unusual measures to help solve the emigration problem. Population in the British Isles continues to increase, and, owing to the restrictions placed on emigration to the United States, there is not as large an outlet for surplus population as there was before the war. On the other hand, the number of unemployed is much larger, while the state must also make greater preparations to meet this situation. Aside from other considerations, the necessity of doing this has become the more imperative through the insistance on the part of the masses of the people of Great Britain for a higher standard of living, and their use of their political power to enforce these demands.

BECOMES ASST. REGISTRAR

J. A. Guymer has been appointed assistant registrar of the London Life Insurance Company. Mr. Guymer started with the company as a member of the industrial insurance department. After four years' service he was transferred to the investment department, where he served another four years. At the conclusion of the war he assumed the duties of traveling auditor of the company, but in 1921 was appointed to the underwriting and policy department and now becomes assistant registrar.

BIG KENSINGTON FIRE

Details of the losses in the serious fire at Kensington, P.E.I., on Aug. 16, reported in last week's FINANCIAL POST, are now available. They are as follows:

	Loss	Insurance
Tuptin & Co., building and contents	$45,000	$25,000
B. B. McFadyen, drug store	8,000	6,000
J. McGugan, store ...	10,000	7,000
Mrs. Wm. Goss, hotel	5,500	4,000
J. A. McPherson, store	10,000	5,000
Kennedy Bros., warehouse	4,500	2,250
P. White, store	2,000	unknown

The origin of the fire is being investigated.

A Farming Fallacy

Crop Diversification for Prairies Declared Impracticable—Specializing in Agriculture, as in Industry, is Declared Most Effective

Many of the solutions for improving the lot of the farmer come from people well versed in agricultural pursuits, and the conclusion drawn is that they are out in advocacy of farming methods that call for the complete elimination of work. On the other hand, there are others that have many remedies or cure-alls for the troubles of the farmers, until to-day many people regard these so-called ills as they do a cold in the head, a toothache, or prickly-heat. Everyone has a remedy.

A former secretary of agriculture at Washington, E. T. Meredith, has some suggestions for the farmers of the Western U. S. prairies that could, in part, apply to Western Canada's prairies. His main one is time-worn. He would have diversified crops, instead of one crop. He would have the farmers discontinue depending on one or two crops and raise several different crops each year.

That to do so is not so easy, is pointed out by the Boston Commercial, which pictures things in an interesting way, and presents troubles that stand in the way of diversified crops in Western Canada as well as in the U. S.

It suggests that perhaps the Western wheat farmer is unable to understand why the owners of idle cotton mills in New England have not gone into the sugar refining or chewing-gum manufacturing business to fill in the time while their usual line is unprofitable. He may wonder also why every daily newspaper publisher does not run a millinery store, a button factory, and engage in the taxicab business on the side; but if he expressed such thoughts he would be laughed at for a simple clodhopper.

Grain farming calls for special equipment, just as newspaper publishing or cotton manufacturing does. If the wheat grower cuts down his acreage one-half he must reduce the yearly use of valuable, or at least costly machinery by one-half. If he devotes the acreage thus released to other crops he must purchase additional machinery to plant, cultivate and harvest such special crops.

Then the Commercial launches into a real farmers' problem by asking: Where is he to get the money to buy this additional machinery? What assurance has he that this other crop will pay? Clearly the average wheat farmer could not afford to equip himself with improved machinery to grow a dozen different crops on the hundred or so acres he cultivates. Farm crop prices would have to be 50 per cent. higher to pay the interest and depreciation and the cost of housing such immense outfits of machinery.

Of course, farmers could farm without machinery, as the Chinese and other backward peoples do. This would solve the problem of excessive agricultural production so completely that 10,000,000 would be obliged to leave the cities and take up farming. Chinese farmers perhaps cultivate two acres per man. In Europe the average area cultivated per farmer actually is less than six acres. In America, with the aid of machinery, 27 acres is the average cultivated per farmer.

Do Mr. Meredith and his editorial echoes want farmers to return to the European or the Chinese practice? Would it be better for us if 67 per cent. of our people were obliged to work on farms to feed themselves and the other 33 per cent., than it is now with 30 per cent. on farms producing enough for us all and an immense surplus for export?

If there were several crops or, for that matter, only one crop that customarily was short enough to bring a good price, Mr. Meredith would have one reason to back up his position, but as it is he hasn't any. From an abundance to too much of everything that will grow is being raised now.

Suppose the wheat farmers were to plant half their area in potatoes next year. What would the effect be on the potatoe growers of Maine, New York, Pennsylvania, Michigan, Wisconsin and Minnesota? To whom could all the potatoes grown be sold?

If the farmers turned to oats, barley, beans or cabbages, or to all four of these crops, a similar result would follow. There would be overproduction. Meredith suggests that they raise corn and feed it to hogs. This indicates a surprisingly short memory, as hog raising was tremendously overdone in this country only two or three years ago.

Wheat being low and corn high this year, a man like Meredith can make himself appear wise by saying: "If you had raised corn instead of wheat just see how rich you would be!" But if they had, corn would be selling below cost and wheat at double its present price. In the case of some men even hind-sight is always incorrect.

Alternation of crops first came into general practice in this country hardly a generation ago. In that it increases the production per acre, it is a good thing. But it has knocked the calculations of the farmers galley west, because it has caused an undependable amount of every crop to be grown outside the regions in which each crop formerly was raised almost exclusively. Add general diversification of crops and this confusion would be worse confounded.

The only way to improve the condition of the farmers by legislation is to make possible a diversification of crops which will pay. This was tried for a number of years in the case of sugar-beets. Beet sugar production was built up to 1,450,000,000 pounds annually and then an attempt was made to destroy it by reducing the tariff on sugar; but the war came along and forced the price so high that our beet sugar production is now in excess of 2,000,000,000 pounds.

Given assurance of protection, beet sugar production in this country undoubtedly would be increased to 5,000,000,000 or 6,000,000,000 pounds. This would mean three or four billion pounds added to the world crop and sugar never would be too low here to enable its producers to live and never so high that people on ordinary incomes would feel obliged to curtail their consumption of it.

This greater beet sugar production would make fruit growing more uniformly profitable, would make the country self-sufficient in the event of another war, especially wars or revolutions on the islands where most of the sugar cane is grown, and would enable many of the farmers who are raising too much of other things to use a part of their land profitably growing sugar beets. Here is a big field, as we produce only 2,000,000,000 pounds of beet sugar and our consumption of sugar is five times that amount.

A very great many more sheep should be raised in this country also. That branch of farming has been quite thoroughly discouraged, however, by changes in tariff schedules on wool. The people have been taught to think of their backs and not of their stomachs when the wool tariff has been under discussion. They can see no connection between wool and the price of a quarter of lamb. Perhaps they never will know that free wool has much to do with the price of mutton.

Consideration of these questions calls to mind a wise saying which is now regarded as unpardonable slang—"Use your nut!" It should be printed in large letters and put in the places occupied now by "Safety First" signs. If people could be induced to heed this admonition, the way to human progress would not be so frightfully obstructed by unripe suggestions.

Taking Precautions

A woman went to the bank and asked for a new checkbook.

"I've lost the one you gave me yesterday," she said. "But it doesn't matter. I took the precaution of signing all the checks as soon as I got it, so of course it won't be any use to anyone else."—From Everybody's Magazine.

Summary of Canadian Trade

	July, 1924	Twelve Months ending July, 1924		
	Total Imports $	Total Imports $	From United Kingdom $	From United States $
Imports for Consumption				
Agricultural Products	16,565,215	178,943,123	29,000,962	79,170,445
Animal Products	3,171,897	43,103,453	4,098,791	30,966,826
Textile Products	14,149,655	167,476,156	70,384,430	69,677,164
Wood and Paper	3,194,648	39,746,814	3,109,666	34,584,783
Iron and Products	12,036,350	159,516,626	18,169,280	138,111,901
Non-Ferrous Metals	3,083,584	41,910,824	4,129,958	34,611,828
Non-Metallic Minerals	13,830,938	146,534,677	9,621,337	127,238,129
Chemical Products	1,841,594	24,818,316	4,028,790	17,132,972
All other Commodities	4,757,484	48,452,024	8,081,209	34,405,343
Total Imports, 1924	72,631,365	850,502,013	150,624,423	565,899,391
1923	77,074,230	880,490,108	153,001,278	595,457,082
1922	60,757,019	730,184,446	119,603,773	498,067,680
	Total Exports $	Total Exports $	To United Kingdom $	To United States $
Exports (Canadian Produce)				
Agricultural Products	32,821,999	465,149,119	267,217,212	57,234,625
Animal Products	14,384,021	140,925,041	66,649,235	54,629,705
Textile Products	673,387	7,797,989	1,767,452	3,651,666
Wood and Paper	22,901,531	263,532,521	19,125,003	223,344,661
Iron and Products	4,819,967	64,231,585	9,179,325	6,547,902
Non-Ferrous Metals	7,237,683	69,911,609	12,165,934	44,247,134
Non-Metallic Minerals	1,762,580	23,253,709	1,131,596	15,016,464
Chemical Products	1,251,813	14,730,030	3,172,668	7,058,994
Other Commodities	1,206,237	16,773,657	3,730,648	11,079,518
Total Exports, 1924	87,059,218	1,066,305,260	383,959,073	422,810,669
1923	82,997,748	994,552,364	386,027,309	402,191,269
1922	70,430,235	767,567,193	306,791,549	304,054,941
Exports (Foreign Produce)				
Totals, 1924	1,161,310	12,743,039	1,347,533	10,134,198
1923	1,480,150	13,798,155	804,081	11,226,442
1922	1,390,393	13,455,983	992,131	11,036,022
Excess of Imports (i) or All Exports (e)				
1924	e 15,589,163	e 228,546,286	e 234,682,183	i 132,954,524
1923	e 7,403,668	e 127,860,411	e 233,830,112	i 182,039,371
1922	e 11,063,609	e 50,838,730	e 188,179,907	i 182,976,717

POWER EQUIPMENT LARGE FACTOR IN WEST'S INDUSTRY

Investment in Electric Plants is Large Percentage of Total

From Our Own Correspondent.

OTTAWA. — The comparatively rapid growth of manufacturing plants in Western Canada, and especially in the prairie provinces, is well set forth in the report of manufacturing statistics for the year 1922, issued by the Bureau of Statistics. It may be observed in this connection that these latest figures were more carefully prepared than were those of any previous year. For example, hand trades, repair shops, customs clothing shops, and construction industries, were eliminated, so that the figures are those for only bona fide industries.

These show that in the four Western provinces there were, in the year before last, 3,266 manufacturing establishments, with a capital investment of $366,000,000. These employed 51,357 persons, who received $63,100,000 in wages and salaries during the course of the year. The value of products for the year was $33,596,000, the value of materials entering into the same having been $188,259,000.

In manufacturing, British Columbia has a long lead over any of the other Western provinces, being credited with over one-third of the plants. Its capital investment is also placed at $200,192,000, out of the total of $366,400,000. It has 23,118 employees out of the total of over 51,000; and in 1922 was credited with having produced $149,000,000 out of the total $333,596,000 of products turned out in that year.

Manitoba comes second with 768 plants, and an investment of $84,662 000, and $94,417,000 as the value of products in 1922. The growth of manufacturing in Alberta is also disclosed through the fact that in 1922 it had 652 plants, with an investment of $51,284,000, and was credited with $51,509,000 of products. Saskatchewan is also doing very well along these lines, having in 1922 606 plants, with a capital investment of $30,268,000, and products valued at $38.672.000.

One of the noteworthy features of the report is the extent to which electric light and power plants figure in the total investment. Out of a total capital investment of a little over $333,000,000, they represent over $93,000 000. It is singular that in all four provinces the proportion of the capital investment in it, compared with that in all industries, stands at about the same ratio. In Manitoba, it is approximately 27 per cent., in Saskatchewan about 30 per cent., in Alberta 27 per cent., and in British Columbia 24 per cent.

In all four provinces more money is invested in electric light and power plants than in any other form of industry. In Manitoba it represents $23,000,000 out of $84,662,000; in Saskatchewan it is $8,000,000 out of $30,268,000, in Alberta it is $14,000,000 out of $51 283,000, and in British Columbia $48,000,000 out of $200,192,000.

It is quite evident that because of her diversified resources, the abundance of her waterfalls, the extent of her forests, her mineral resources and fisheries, British Columbia had a great advantage over the other Western provinces in manufacturing. In her saw mills the investment is about $43,000.000; in pulp and paper, $32,763,000; in fish curing and packing, about $16,000,000, and as has already been noted, in power development $48,000,000.

Though Manitoba stands second in capital investment in manufacturing industries, it is quite apparent that Alberta is coming along also very fast. In 1922 she had $6,527,000 invested in flour and grist mills, or only about $700,000 less than that of Manitoba. It is safe to say that by this time Alberta has the lead in this form of investment, due very largely to additions to milling plants in Calgary. At present the prospects for expansion in this industry appear to be better for Alberta than they do for Manitoba.

B.C. LUMBERING INTERESTS WANT TAXATION RELIEF

Position of Investors is Impaired on Present Basis

From Our Own Correspondent.

VICTORIA.—Taxation is to-day one of the most disturbing factors being faced by holders of timber in British Columbia, and it is probable that at the next session of the legislature in October a settlement of the question will be reached that will bring substantial relief.

Representatives of the lumber industry contend that continuation of the present timber royalty legislation will inevitably shut down the entire industry. The present legislation was passed in the year before the war, when there was little indication of the trend of lumber prices of the past half dozen years. The act contemplated fixing the royalties for five-year periods, but the basis is claimed by the lumbermen to be faulty. The present rates are $17.22 per thousand feet on No. 1 and No. 2 timber, and 87 cents on No. 3 timber.

The third five-year period specified in the act begins on January 1, 1925. If the present basis is continued, the royalties for the next five years will be in the neighborhood of $3.85 and $3.50 respectively. The present act provides a basic royalty of 85 and 50 cents. It is then provided that additional royalties shall be paid to the extent of 30 per cent. of the excess wholesale selling price of manufactured lumber above $18 a thousand feet, f.o.b., point of manufacture.

The excess is arrived at by taking the average price for the five-year period preceding the period for which the royalty is being fixed. The extreme conditions of the war and the post-war period are claimed to have shown this basis to be unjust.

If the legislation is not revised, the royalty for the next five years will be based on the average wholesale selling price for the five years from 1920 to 1925. During that time prices soared as high as $38 per thousand, although they are now around $25. If prices continue at a low level—and prices are controlled solely by the law of supply and demand and competitive conditions—the timber holders point out that it would be manifestly unjust to have royalties based on the extraordinarily high prices of the reconstruction period.

A good many millions are bound up in timber investments in this province, and the result of the discussion will be closely followed not alone by timber investors, but by the entire business community of the Pacific coast. On the satisfactory settlement of the issue will depend largely the future attitude of outside capital towards investment in British Columbia forests.

The Retail Merchants' Association Reorganized

OTTAWA.—Frank discussion of the administration of the Dominion office of the Retail Merchants' Association of Canada, resulting in certain changes that it is believed will result in greater service to the provinces and to the retail merchants generally, occupied the attention of the Dominion board in annual session. The Dominion office will from now on be under the direct control of a central committee consisting of A. E. Stephens, Ottawa; C. F. McArthur, Russell, Ontario, and J. G. Watson, Montreal.

E. M. Trowern, who has been secretary for the Dominion, will now be secretary and general manager for the Dominion. A business manager is a new office that is to be created, and an appointment to this position in the near future will be made. This officer will work in conjunction with the provincial secretaries, speeding up the work of the associations, assisting them in their organization plans, and generally promoting the best interests of the retailers. These Dominion officers will be responsible to the central supervising committee and through them to the entire Dominion board.

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STEEL

The Handwriting On the Wall

THE charts of business movements that appear in The Financial Post week after week are the handwriting on the wall that tells Canadian business men what is in store for them. Sometimes the message is bright; at other times it gives a warning. Always it is reliable.

These charts, with their accompanying store of carefully gathered and well presented data, are part of The Post's weekly service for business men; a service that is in charge of a trained economist who has not only a back ground of academic study but broad experience in contact with actual financial and mercantile problems to guide him in judging of the needs and demands of business men. He has at his command the entire news gathering facilities of the largest business paper publishers in the British Empire. The editors of a dozen other business papers are practically on The Post's staff.

Sources of information that cannot be tapped by the average business man are gleaned of their vital indicators for the benefit of the readers of The Financial Post. A press clipping service and correspondents in all leading cities cover national commercial developments. Canada's greatest crop authority sends—during the summer and fall—a weekly summary of last minute authentic data on the harvest outlook.

When all this is gathered the essence of it may be boiled down into the business review that appears in the first column of page one each week and in the business articles on page 2. But the final result is an authoritative view of the business outlook.

Canada's manufacturers and business executives in various walks of life are coming to look with eagerness each week for The Post's guidance in plotting their business course.

Those who have a message for the men who control and operate the machinery of Canadian commercial activity can reach these men and capitalize their buying power by advertising in The Financial Post.

THE FINANCIAL POST

DAWES PLAN AN EXPERIMENT AS TO REPARATIONS

No Precedent for the Payment of Sums of This Magnitude

EFFECT UPON WORLD

Other Countries Are Greatly Concerned in the Economic Effects of the Arrangement Agreed Upon

NEW YORK.—The Dawes reparations plan is a great experiment. There is no precedent for the payment of sums of such magnitude where the payments run one way and no offsets are available. These payments are outside of trade, which has a natural tendency to settle itself. Over and above its regular foreign trade settlements, Germany must export goods or services to cover the obligations of this agreement, says the National City Bank of New York.

There is great disagreement among people who have standing as experts about Germany's ability to make the payments, and about the probable effects of such payments, if they are made, upon the industries and trade of other countries. Considering first the ability of Germany to pay, it is evident that this will depend upon high production by the German industries coupled with low consumption by the German people, thus enabling a great industrial product to be exported. Following the analysis farther, it probably means long hours in the industries, or at least the working day which will yield the largest product. The late Hugo Stinnes insisted that Germany must go back to the 10-hour day in order to pay reparations. The 10-hour day was the rule in Germany before the war, and the country had no excess of merchandise exports over imports then. Its problem now is to create a very large excess, hence it must produce more and consume less. In order to produce more and begin at once, longer hours would seem to be the only sure resort. Invention and improved methods are the best way of increasing production, but their results are incalculable, and anyway take time. Moreover, they require capital accumulations, which will be difficult to make in Germany. But besides increasing production it will be necessary to reduce consumption, or at least prevent consumption from increasing to correspond with production, for it is a surplus of production and of exports that is required. In order to hold down consumption it will be necessary that wages shall be low as compared with the cost of living, which may be accomplished either by means of low money-wages, or by taxation which raises the prices of everything the people have to buy. Taxation is the method by which the government takes over the share of production which must go for reparations.

Briefly stated, these are the conditions which must be imposed in order to create a large surplus of exports over imports. Economists describe them very simply, but can they be put into effect as easily as they are described? The German government promises to do it, but if the 10-hour day is necessary, can the government compel the workmen to accept it, and if lower wages or a lower standard of living are required in Germany than in neighboring countries, will the masses of the German people accept them and work as cheerfully and efficiently as in the past? These are crucial questions.

It is necessary to consider the possibilities of misunderstanding, of misrepresentation, of social and political agitation working upon class suspicions and prejudices. The workmen might be willing to work long hours and accept a lower standard of living if they thought these conditions really necessary, but there will be plenty of people to tell them that such conditions are not necessary—that the employers are making fools of them, and that the rich are scheming to get off without paying. Who can foretell what the outcome will be?

In case Germany demonstrates her ability to create a surplus of exports over imports sufficient to meet the reparation payments, what will be the attitude of other countries toward such a volume of German exports and what the effect upon business elsewhere? Economists whose opinions are entitled to respect are able to dispose of the difficulties which some people apprehend, as easily as they show how Germany can create her surplus of exports. Arranged by them on paper there does not seem to be any problem. And yet in the countries adjoining Germany. particularly among business men producing the same kind of commodities which must constitute the chief exports of Germany, no little concern is manifested. Evidently the British industries are apprehensive of severe competition, for the British prime minister has announced that he will appoint advisory committees representing the principal industries, to confer with the government.

The reason for this apprehension is that the principal industries of Germany are of the same character as the principal industries of Great Britain, and this is true of other countries as well. Germany's increased exports must be of products like the products of other countries. How many such products can the markets take? It is an economic truism that there is no possibility of over-production, provided production is well-balanced. It is all a matter of balanced demands and offsetting exchanges. If it were possible to increase all kinds of production simultaneously, the aggregate might be doubled, provided all kinds came on the market in the right proportions, and there would be no disorder; the world would simply move up to a higher standard of living. If this is what Germany's increased exports will mean, there is nothing to fear from them; but will the supply of all kinds of goods and services increase in the right proportions and be absorbed without disturbances? This is what business men are not sure about.

On the other hand, it is true that the credits created around the world by the surplus of German exports will be turned over to the allied countries, constituting the reparation payments. They will constitute purchasing power to be used by the allied countries instead of by the German people. Why then should there be any more disturbance than if there were no reparation payments?

The whole question turns upon the degree of abnormality in the situation. It is the abnormal developments that disturb the industrial balance. Are the offerings of the principal German industries—iron, steel, machinery and the textiles—going to be greatly in excess of their offerings in the past, and if so what will be the effect upon those particular industries in other countries, and what will other countries do about it? Also, what will the purchasing power created by these reparations payments be used for, and to what extent will such purchases provide employment for workmen who might be thrown out of employment in other industries? Workmen do not change employments readily, but prosperity in one industry tends to make employment in other industries.

Enough has been said to show that the situation has many complications, for it will be affected not only by the legitimate effects but by what the people of different countries think are likely to be the effects, as this country was influenced to pass the Fordney Act and as the British government has been moved to appoint industrial committees.

Germany Short of Capital

It is also to be considered in this connection that Germany may require considerable time to get into full productivity. While her industries are understood to be generally equipped for a larger production than ever before, the country is financially weak. There is a great shortage of working capital, as prevailing interest rates show. This is the result of having practically wiped out bank deposits and the entire creditor class by the depreciation of the currency. The saving class has been exploited and saving discouraged. The country must start in again to encourage saving and build up a new savings fund. The industries cannot run full without more working capital than the country possesses. It will take a long time to accumulate what is required, and immediate relief must come by attracting foreign capital with high rates of interest and by inducements to invest in the industries. But as an offset to any inducements that can be offered there will be the high taxes to pay reparations, and the danger of labor troubles and socialistic agitation arising from the conditions heretofore mentioned. German industry will have a hard time conquering the world on 25 per cent. interest. and German socialism will have a fine chance to study the law of supply and demand in relation to capital and the interest rate. Here again there rises the question as to what public opinion will do. We know enough about politics in this country to expect a holy crusade against high interest rates. If Germany had not just received a very costly course of instruction upon the difference between paper money and capital, we might expect proposals to start up the printing presses, but the Germans probably are immune to that heresy for the present. Will it be possible, however, to maintain returns upon capital in Germany at least high enough to attract outside capital, simultaneously with low wages and high living costs? Is it possible to either suspend the economic law in Germany or make everybody understand it? At this writing the rate of discount at the Prussian State bank is 13 per cent. for the highest class of paper, and at the Reischsbank, 12 per cent.

Position of United States

So far as the United States is concerned, it seems probable that the revival of Germany will have a direct effect in increasing that country's demands upon us for such raw materials as cotton and copper and probably for meats. Unquestionably competition will be sharper in the lines of manufacturing in which Germany is proficient, and the effect of sharp competition in world markets will be to lower industrial costs and prices.

In one of the lines in which Germany is proficient, however, the manufacture of electrical equipment, the world demand is likely to be large enough to keep the capacity of all countries fully employed for years to come.

In the long run, however, and when the readjustments required to restore the world's equilibrium have been made, the recovery of Germany unquestionably will be generally beneficial. Whatever disturbance there may be will result from the fact that new and strange conditions are created, and that readjustments are necessary. The tendency always is back to normal.

CANADA'S WHEAT EXPORTS

MONTREAL.—Over two hundred and sixty-four million bushels of wheat were exported from Canadian sea and inland ports during the ten months ended June 30, 1924, according to government returns. Exports through all channels show considerable improvement over 1922 and 1923 figures, but by far the greatest increase is in the exports to overseas countries from Canadian seaports.

TAXING OF C.N.R. TO BE DISCUSSED IN CONFERENCE

Both Sides Consider This to be Preferable to Litigation

From Our Own Correspondent.

OTTAWA.—Conferences on matters between the Dominion and provincial governments are becoming much more popular. The latest is one over the taxing of the Canadian National Railways by the provincial governments, such a conference having been called here by Hon. G. P. Graham, minister of railways.

The railways are important contributors to the treasuries of the various governments. Last year they paid $9,214,272,000 to governments and municipalities. Of this slightly over 60 per cent. was paid by the Canadian Pacific Railway, whose contribution was $5,717,283. The Canadian National paid $2,562.142, about $1,000,000 being made up by other roads. During last year this meant an increase of $257,000, of which the Canadian Pacific was responsible for $160,000 and the Canadian National with $21,000.

As the provinces find it difficult to make both ends meet, there is a natural tendency on their part to increase their calls on the railways, and this has brought about sharp differences of opinion between some of them and the Canadian National. This is especially true of Manitoba, which has instructed H. J. Symington, K. C., to take action for collection. Hon. G. P. Graham is one of those who thinks that more progress can be made through a conference than through the instituting of a law suit, and as General Counsel Ruel, of the Canadian National, has also suggested such a course, this will be held.

Mr. Ruel, as setting forth the position of the National system, points out that the railways are taxed on a different basis in the different provinces, and that while in some the basis is fair, in others it is not. In New Brunswick, for example, the Intercolonial being a government road, pays no taxes to the provincial government. Mr. Ruel admits that this is hardly fair, saying that it is reasonable that a fair contribution should be made to the various provinces, but that it should be on an equitable basis. It is an anomaly that New Brunswick, because the Canadian National mileage in that province happens to be out and out government owned, should practically pay no taxes to the province, while other provinces which were fortunate enough to have Canadian Northern mileage, secure a large contribution from the national system. It is to straighten this out that the conference has been called.

ALBERTA LUKE WARM ON HUDSON BAY LINE

That Province is Much More Interested in the Development of the Pacific Route

From Our Own Correspondent.

OTTAWA.—No surprise is felt here over the action of the Alberta government in refusing to entertain the alternative proposal that the prairie provinces should take over and complete the Hudson Bay Railway project, in case the Dominion would manifest disincliniation to do so.

It has long been evident, through the attitude of her members in the House, that Alberta was lukewarm on the On-to-the-Bay scheme. During the last few years her representatives have come to the conclusion that they have far more to gain through the development of the Pacific route than of that through Hudson Bay. They point out that its feasibility has been amply demonstrated, while that of the other route has not been. The Alberta government also asks itself why it should incur a liability for development of a doubtful route, when without assuming any such thing, its grain is now going out very largely through Vancouver.

Through the taking over of the Canadian Northern and the Grand Trunk Pacific by the government, the provinces of Manitobaa and Saskatchewan got rid of a very heavy liability. In this way. Alberta also secured a measure of relief, but not to nearly the extent that its sisters did. The Alberta Great Waterways and the Edmonton, Dunvegan and Pacific roads are still on her hands. Because of this, Alberta has concluded that she has enough to look after, and is unlikely to change her mind for some time, especially as she has $20,000,000 invested in these two enterprises, and their future is so uncertain.

Investment in Wasps Proves a Liability

From Our Own Correspondent.

SYDNEY.—When the Moorland Fruit Co., imported nests of Mexican wasps to aid the pollenation of its blueberry barrens, near here, its officers believed they had hit upon a bright idea. When the 1924 crop turned out to be the heaviest in living memory, they felt sure of it. But when the wasps multiplied in proportion to the berries they began to have doubts, and swarms of them attacked the pickers and drove them off, putting several in the hospital with blood-poisoning cases, they were sure the remedy was worse than the disease. Now the company is advertising for some expeditious method of exterminating its too-enthusiastic colony of workers.

Perfect Conditions for Western Harvest

The fololwing summary of the Western crop conditions for the past week has just been received at the head office of the Canada Permanent Mortgage Corporation:

The weather during the past week has been exceedingly favorable to the maturing and ripening of the crops with the exception of a portion of Alberta in which cutting has been delayed by cool wet weather, and in South Western Saskatchewan where heavy winds may have caused some slight damage. Harvesting is now general in many localities and will probably be general all over the West in another week.

Manitoba.—In a few scattered localities frost has probably slightly reduced the quality of the grain. Damage from hail and other causes has been negligible. The weather is most favorable for harvesting which is proceeding rapidly.

Saskatchewan.—The greater portion of Southern Saskatchewan is yielding a heavy crop. In the the east central portion of the province the yield will considerably exceed earlier expectations, while in the west central and northern portions there has been an improvement over prospects of two or three weeks ago.

Alberta.—No damage from frost is reported and notwithstanding recent cool wet weather considerable cutting will be done this week.

RISING DEBT BURDEN FROM WATER SYSTEM

Nova Scotia Town is no Exception—Deficit Accumulating in Many Similar Cases

A situation which is all too common among Canadian towns and municipalities is one similar to that which is taking place in connection with the water system of the town of Trenton, N. S. In an otherwise creditable financial statement appears the information that the water system, a non-profitable enterprise, is involving the taxpayers of the town in a heavier burden of debt each year without any prospect of relief. Trenton's water system has never paid the expense of operation, and recently there has been an annual operating deficit of nearly $3,000, besides more than $7,000 a year in capital charges, which had to be met out of general expenses. This makes a total deficit of close to $10,000 per annum. There is a sinking fund of $2,075.

The case just outlined is not cited to cast any reflection upon the financial standing of the town of Trenton The fact is that Trenton is no exception. It merely exemplifies a situation in which many a Canadian town finds itself as a result of some one of many causes. The consequence is that the taxpayers are burdened with a constantly increasing burden of debt from which there is no apparent escape unless radical steps are taken.

TOWN RETAILERS ALREADY NOTING BETTER DEMAND

(Continued from page 1)

place in the depressed state of business and industry which has existed in the United States for some months, there is a distinctly better feeling with regard to the outlook. It now seems probable that the stock market rise is more than a temporary movement, and it is thought to foretell an upward trend in business conditions in the near future. It is reported that there is a much more cheerful sentiment in the automobile trades. Surplus stocks appear to have been largely worked off and the market situation is much more healthy than was the case three months ago, in view of the drastic curtailment in production. The steel trades are showing a gradual but definite improvement. Prices generally are no higher, but demand is said to be somewhat better. The favorable crop situation has done much to create a more sanguine outlook throughout the country.

Business Indicators Vary

In the domestic business situation, while depression continues in some lines, there are better conditions in others. The steel and iron industries are doing very little, and the outlook is not very encouraging. The employment situation has declined somewhat since July, and considerable apprehension is felt with regard to unemployment during the coming winter. Customs returns continue to fall off at a rather high rate, as a result of reduced imports into Canada, and the recent lowering of the customs duties. August's statement shows total revenues from customs and excise amounting to $20,521,721 as against $26,600,701 for the same month last year. For the first five months of the fiscal year there was a decline in customs and excise revenue of $26,000,000 of which $7,000,000 was in customs and more than $18,000,000 in excise taxes. There is, however, another side to this, namely, the very striking rise in our favorable balance of trade. The decline in imports indicates an increase in home buying which is a healthy sign for business. Another favorable factor is the reported increase in the number of enquiries for staple products, such as leather and certain grades of woollen goods, in the home market. There is slight improvement in the demand for lumber on both coasts although no change has taken place in prices. The extremely low lumber prices, in addition to reasonable freight rates and an accumulation of logs, are given as the reasons for a recent order placed by British interests with a Pacific coast firm, for 7,000,000 feet of railway sleepers. Export demand for the leading grades of fish, on both coasts, is reported to be coming to life. Taking the business situation as a whole, the indications of better conditions are decidedly more numerous than the unfavorable factors.

Township of Barton Debentures for Sale

SEALED tenders marked, "Tenders for Debentures," and addressed to the Reeve of the Township of Barton, Court House, Hamilton, will be received up to 11 a.m. on Monday, the 8th day of September, 1924, for the purchase of $50,000 twenty-year 5½% straight term bonds, for the purpose of purchasing additional material and equipment for the extension of the Barton Hydro System.

The interest is payable half-yearly and the principal at the end of the term.

The highest or any tender not necessarily accepted.

SIDNEY C. SIMS,
Clerk, Township of Barton.

DIVIDEND NOTICE

Canadian General Electric Co.

Limited

Preference Stock Dividend No. 58

NOTICE IS HEREBY GIVEN that a Dividend of one and three-quarters per cent. for the quarter ending the 30th day of September, 1924, being at the rate of seven per cent. per annum, has been declared on the Preference Stock of the Company.

The above Dividend is payable on and after the first day of October, 1924, to Shareholders of record at the close of business on the 13th day of September, 1924.

By order of the Board.

W. H. NESBITT,
Secretary.

Toronto, September 3rd, 1924.

DOMINION TEXTILE COMPANY LIMITED

Notice of Dividend

A DIVIDEND of One Dollar ($1.00) per share on the Common Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending 30th September, 1924, payable October 1st, to shareholders of record September 15th.

By order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

The County of Victoria

to close a Sinking Fund Account, will receive offers until September 17th for securities as follows:

Dominion of Canada:

Three Bonds, $1,000.00 each, total $3,000.00, due March 1st, 1937, 5 per cent. half-yearly, accrued interest from September 1st, 1924.

Province of Ontario:

Three Bonds, $1,000.00 each, total $3,000.00, due Feb. 1st, 1928, 6 per cent. half-yearly, accrued interest from Aug. 1st, 1924.
Two Bonds, $1,000.00 each, total $2,000.00, due May 2nd, 1936, 6 per cent. half-yearly, accrued interest from May 2nd, 1924.
The Bonds are registered as to principal.

Town of Lindsay:

Five Debentures, $1,000.00 each, total $5,000.00, due February 2nd, 1940, 5½ per cent. half-yearly, accrued interest from Aug. 2nd, 1924.
Separate offers are to be made for each block.

Payment to be made to order of the Treasurer of the County of Victoria. Documents to be delivered through Bank of Montreal, Lindsay.

J. R. McNEILLIE,
Treasurer.

Heavy Loss Suffered by Blue Diamond Coal

Blue Diamond Coal, owned by McIntyre and Temiskaming Mines, lost $75,144 last year. This compares with a profit of $157,354 in the previous year. To the above total was added $49,796 for taxes, royalties, lease rentals and interest, which made a loss of $124,940 transferred to deficit account, as compared with a net profit of $40,732 a year ago. The total deficit on June 30 amounted to $86,395.

The report shows total assets of $2,413,621, which compares with $2,483,022. Fixed assets are valued at $2,073,191, as against $2,036,219. Current assets total $182,566, as compared with $424,561. Cash on hand amounts to $4,353, as against $61,552, and accounts receivable at $43,069, as compared with $176,476. Inventories are valued at $126,064, which compares with $175,665. Current liabilities of $253,719 compare with $252,743. Reserves total $79,901, as against $84,525 a year ago. The property is closed because of Alberta miners' strike.

Sees English Funds for Canadian Mine Ventures

English capital is expected to turn to Canada in large volume for mineral development as a result of the missionary work begun in that country by the Department of Mines of Ontario, says Wall St. Journal. A striking mineral display was made at the British Empire exhibition. Several influential groups are stated to be already in the field, while others are sending out engineers or arranging for acquisition of development properties. Sir Robert Clough, prominent in mining and general industries in the Midlands and north of England, has been in Canada in connection with possible investments in mines, and the chairman of the Huronian Belt Co. has come to visit the company's mines and investigate conditions with a view to expansion.

HUGE COPPER BODY

A new body of disseminated copper has been cut by diamond drill on the Horne property in Rouyn. The drill core indicated a width of 100 feet.

NEW VIPOND VEIN

A new quartz vein showing a width of 30 feet has been found on surface on Vipond. Assays give a few dollars to the ton.

Tenders for Debentures

SEALED tenders will be received up to 3 o'clock p.m. on Monday, the fifteenth day of September, 1924, for $42,000 City of Owen Sound 5½% school debentures maturing September 1st, 1944. Interest payable half-yearly. Payment and delivery Owen Sound. Lowest, or any, tender not necessarily accepted.

A. F. ARMSTRONG,
City Treasurer.

Owen Sound, Sept. 2nd, 1924.

The Montreal City and District Savings Bank

NOTICE IS HEREBY GIVEN that a Dividend of two dollars and fifty cents per share has been declared on the Capital Stock, called and paid up, of this Bank and will be payable at its Head Office, in this City, on and after Wednesday, October 1st next, to shareholders of record Monday, September 15th next, at three o'clock p.m.

By order of the Board.

A. P. LESPERANCE,
General Manager.

Montreal, August 26th, 1924.

The Dominion Bank

NOTICE is hereby given that a dividend of three per cent. upon the paid up Capital Stock of this institution has been declared for the quarter ending 30th September, 1924, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Wednesday, the 1st day of October, 1924, to shareholders of record of the 20th September, 1924.

By order of the Board.

C. A. BOGERT,
General Manager.

Toronto, 21st August, 1924.

The Toronto General Trusts Corporation

Dividend No. 113

NOTICE IS HEREBY GIVEN that a Dividend of Three per cent. (3%) has been declared upon the paid-up capital stock of this Corporation for the Quarter ending September 30th, 1924, being at the rate of

Twelve Per Cent. Per Annum,

and that the same will be payable on and after Wednesday, the 1st day of October, 1924.

The Transfer Books of the Corporation will be closed from Tuesday, the 16th day of September, until Tuesday, the 30th day of September, both days inclusive.

By order of the Board of Directors.

W. G. WATSON,
General Manager.

Toronto, August 26th, 1924.

CREDIT-CANADA, LIMITEE

DIVIDEND

NOTICE IS HEREBY GIVEN that a dividend of 2 per cent., being at the rate of 8 per cent. per annum, on the paid-up Preferred Stock of this institution has been declared for the current quarter, payable on and after Monday, September 15, 1924, next, to shareholders of record September 1, 1924.

By Order of the Board,

LUC ROCHEFORT,
General Manager.

Montreal, August 27, 1924.

The Sherwin-Williams Company of Canada, Limited

NOTICE IS HEREBY GIVEN that the fifty-third quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum, for the quarter ending August 31st, 1924, on the Preferred Stock of the Company has been declared payable to shareholders of record the fifteenth day of September, 1924, and that cheques will be mailed on the thirtieth day of September, 1924.

Books not closed.

By order of the Board.

D. A. WHITTAKER,
Acting Secretary-Treasurer.

Montreal, September 2nd, 1924.

The Sherwin-Williams Company of Canada, Limited

NOTICE IS HEREBY GIVEN that the sixteenth quarterly dividend of one and one-half per cent. (1½%), for the quarter ending August 31st, 1924, upon the Common Stock of this Company has been declared payable to shareholders of record the fifteenth day of September, 1924, and that cheques for same will be mailed on the thirtieth day of September, 1924.

Books not closed.

By order of the Board.

D. A. WHITTAKER,
Acting Secretary-Treasurer.

Montreal, September 2nd, 1924.

CANADIAN WOOLLENS LIMITED

Notice of Annual Meeting

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting of the Shareholders of Canadian Woollens, Limited, will be held at the Head Office of the Company, McDonnell St., Peterboro, Ontario, on Tuesday, the sixteenth (16th) day of September, 1924, at the hour of 1.30 o'clock in the afternoon (Standard Time), for the purpose of receiving the report of the Directors for the past year, for the election of Directors, for the appointment of Auditors, and to transact such other business as may be properly brought before the meeting.

Dated at Peterboro, the 30th day of August, 1924.

W. TINKER,
Secretary-Treasurer.

REALTY MORTGAGE BOND ISSUES TAKE WELL IN DOMINION

Financing Buildings by Bond Sales Have Steadily Developed

CHANGES IN METHODS

Old Mortgage Buyer Has New Opportunity to Invest Funds With Experts Doing All Investigating

Canadian investors are now becoming as familiar with the real estate mortgage bond as their fellow-investors in the United States. Bond issues to finance building construction are no longer a novelty in Canada. In the past three or four years there have been about a score of important bond issues in this country that could be labelled as real estate mortgage bonds as distinct from public utility bonds, industrial bonds, railroad bonds, etc. This number does not seem large but it must be remembered that at the end of the war the first mortgage bond issue on real estate was practically unknown. Such issues as had been made prior to that time on important hotels, apartment houses, etc., had been sold, in nearly every case, in blocks, to insurance companies and other investing institutions.

This type of financing has come to the front to meet a very definite need, and in meeting that need has provided investors with a very interesting type of security.

Nowadays real estate construction demands millions of dollars. In days when smaller buildings were erected, and a $75,000 structure was a rarity, the builder needed only to hunt around for some one individual with money to invest and he could arrange a first mortgage that, with his own capital, would pay for the cost of the land and the structure he was going to erect. But in this present day of 50 and 75 suite apartments, 20 story buildings, and 1,000 room hotels, no builder can borrow from any one individual the money needed to supplement his own equity in his structure. When a single construction job involves anywhere from $500,000 to $10,000,000, it is necessary to borrow from a great many different people, just as an industrial corporation borrows in small sums from 500 or 1,000 people to pay the cost of a new factory or to instal new machinery. This is the day of the split mortgage. For that is what a real estate mortgage bond is. It is part of a large mortgage, split into $100, $500, or $1,000 shares and offered to all who have these amounts to invest.

There would be few very large building operations to-day were it not for the sale of bonds while the building is under construction. The real estate bond has brought with it entirely new methods in finance, methods which the ordinary investor would not trouble himself to study, but which are there for his protection.

Experienced investing banking houses carry out for him the process of investigation and management that every holder of the first mortgage on a small property has to perform for himself in a minor way. The man who loans money on land or on land and buildings has to see to it personally that to be sure to keep in touch with the borrower in order to insure himself that proper repairs are made to the buildings and that the premises are not allowed to run down and their values to become impaired; he has to make certain that taxes are paid and he has to collect his interest when due. This is not by any means always an easy task. Added to this he has to use good judgment in valuating properties in order to know how much to loan on it and to make certain how much it would bring at a foreclosure sale.

The purchaser of the real estate mortgage bond has none of these functions and responsibilities thrust upon him. All of the negotiations and details are looked after by companies organized and conducted for the purpose of loaning money on real estate and selling bonds secured by the property on which the loan is made, or by investment banking houses which have at their command facilities for examination.

How the Loan is Made

The process of issuing these bonds is simple enough. A builder plans his building. Let us say he is the owner of a valuable site on Sherbrooke St. in Montreal, and he wants to put up a 100 suite apartment. Without attempting to fix any stand-

(Continued on page 18)

Canada Housing Corporation Ltd.

6½

Twenty Year Mortgage Gold Bonds.

ARE SECURED BY MORTGAGES ON TORONTO HOUSES.

Write for full particulars

RICE, GIBSON & CO.
McKinnon Bldg. Toronto

Real Estate Bond Issues

Acadia is Montreal's Latest Apartment Issue

The newest addition to the group of exclusive apartment houses in the residential centre of Montreal is the Acadia, now under construction by a syndicate headed by Senator Nathaniel Curry. This apartment house is being constructed on lines that are in keeping with its location in the heart of Montreal's residential district.

The new apartment house will have 57 suites and the rentals expected are high. An estimate of the revenue places it as at $172,000 a year after allowing for vacancies. This, however, is in line with the income of similar structures in Montreal.

Montreal has turned to apartment houses more than any other Canadian city, and evidence of the tendency in this direction is the fact that a large new apartment house opened up a year ago is now fully occupied.

The apartment has been partially financed by the sale of first mortgage bonds to Canadian investors.

Capitalization—

	Auth.	To be Issued
6½% 1st mtge. bonds	(closed)	$850,000
7% gen. mtge. bonds .	200,000	100,000
7% preferred shares .	400,000	400,000
Common shares	200,000	200,000

Bond Issue—

6½% 1st (closed) mortgage 15-year sinking fund gold bonds. Dated Sept. 1, 1924, maturing Sept. 1, 1939. Principal and interest payable in Canada only. Denominations $1,000 and $500.

Sinking fund, semi-annual payments of $12,750, commencing March 1, 1928.

First offered in August 1924 at 98½ to yield 6.65 per cent.

Admiral Beatty Hotel a New Maritime Issue

St. John, N. B., wanted a new hotel. There were difficulties in the way, until, finally, a plan was hit upon to finance through a bond issue. The issue is for $550,000, and the business men of the city got out and helped push the public offering of $300,000. The debentures are convertible at the option of the company into preferred, and the latter are redeemable at 10 per cent. premium. The hotel will be eight stories, and is to be managed by United Hotels Co. of America.

Capitalization—

	Auth.	To be Issued
7% preferred stock	$750,000	$650,000
Common stock ..	750,000	750,000
Subject to first mortgage	550,000	......
7% convertible deb.	300,000	......

Bond Issue—

7% Convertible debentures. Dated June 1, 1923. Debentures convertible at option of the company into 7% cumulative preferred stock (fully paid and non-assessable) on June 1, 1925. Interest payable in Canada and New York. Denominations of $100, $500 and $1,000.

First offered in August, 1924, at 100, carrying a bonus of 40% common stock.

Booth Buildings, Ottawa, Have Bonds Outstanding

Two Ottawa office buildings, the personal investments of one of Ottawa's wealthy citizens, were joined together as security for an issue of bonds under the name of Booth Buildings. The two buildings, known respectively as the Booth Building and the Jackson Building, house government offices as well as many private firms and individuals.

The bond issue was for an amount of only $750,000 against property stated to have a valuation of $1,800,000, an exceptionally high proportion of security for the outstanding issue. They were also personally guaranteed by C. Jackson Booth, owner of the buildings and son of J. R. Booth, the millionaire lumber king.

Bond issue.—$750,000, 6½ per cent. first (closed) mortgage sinking fund gold bonds. Dated April 1, 1922, maturing April 1, 1937. Principal and interest payable in gold coin in Canada only. Coupon bonds of $1,000 and $500 denominations.

Sinking fund April 1, 1924, to April 1, 1929, 2 per cent. per annum; April 1, 1930, to April 1, 1935, 4 per cent.; April 1, 1936, to April 1, 1937, 5 per cent.

First offered March 15, 1922, at 100, to yield 6½ per cent.

Border Cities Co. Bonds Secured by Realty Sales

The bond issue recently offered by Border Cities Co., of Windsor, is rather a new departure for Canada, but has been employed quite successfully in some of the larger cities of the United States. It covers real estate, and is secured by sales already made, and, in addition, a first lien on balances due, as well as other properties owned by the company. A trust company collects all payments, which are more than sufficient to pay interest and sinking fund charges.

Capitalization—	Outstanding
Common stock	$904,500
7% preferred stock	904,500
7½% serial bonds	850,000
7% 1st mortgage bonds ...	500,000

Bond Issues—

7½ per cent. first serial bonds. Dated Sept. 1, 1921, maturing Sept. 1, 1924, to Sept. 1, 1941. Interest payable in Canada and New York. Denomination, $1,000.

First offered at par and interest in Nov., 1921.

7% first mortgage sinking fund gold bonds, maturing from 1927 to 1934.

First offered in July, 1924, at 100.

Canada Housing Issue is Only Partly Placed

Canada Housing Corp. was organized to build workmen's homes in Toronto. These were financed through a bond issue of $600,000, but only about $150,000 of the bonds were sold to provide for the erection of some 60-odd houses. These were readily sold, and when the market for homes started to ease, construction was halted. There are indications, say Rice, Gibson and Co., that the market is improving and further houses may be started this fall.

Capitalization—

	Authorized	Issued
6½% mtge. bonds	$2,000,000	$600,000
Common stock ..	500,000	500,000

Bond Issue—

6½% mortgage gold bonds. Dated May 1, 1923, maturing May 1, 1943. Principal and interest payable in Canada only. Coupon bonds in $100, $500 and $1,000 denominations.

Sinking fund, beginning May 1, 1926, 1 per cent. of bonds issued, plus an amount equal to the interest on all bonds retired to be paid to the trustee to retire bonds of this series.

First offered in June, 1923, at 100, to yield 6½ per cent.

Drummond Apartments A Financial Success

The Drummond Apartments, which were erected in Montreal in 1919, proved to be an excellent financial success. Last year the owners, of whom P. R. duTremblay, of La Presse, is the chief one, decided to add a new wing to their structure. This new wing is now occupied and is just about completely rented on favorable terms.

In connection with the erection of the new building, the former issue of some $650,000 of first mortgage bonds was redeemed and $2,000,000 of new first mortgage bonds as well as $650,000 of general mortgage bonds were issued. Both issues have maintained a market in the neighborhood of the issue price. They are in the name of the Drummond Investment Company.

The new Drummond, consisting of the old wing and the new wing, is stated to be the largest apartment building in Canada. It has, in all, close to 200 apartment suites.

Capitalization—

6½% 1st mtge. bonds ..	$2,000,000
7% general mortgage bonds	650,000
Common shares	1,700,000

Bond Issues—

6½% first mortgage sinkink fund bonds. Dated June 1, 1924. Maturing May 1, 1938. Principal and interest payable in Canada only. Coupon bonds in $500 and $1,000 denominations.

Sinking fund of $50,000 per annum from May 1, 1925, to May 1, 1927, and $60,000 per annum from May 1, 1928, to May 1, 1937, will provide for redemption of $714,000 by maturity.

First offered in April, 1923, at 99 to yield 6.60 per cent. Present price to investors around 99 to 100.

7 per cent. general mortgage sinking fund gold bonds. Dated June 1, 1924. Maturing May 1, 1938. Payable in Canada. Coupon bonds in $500 and $1,000 denominations.

Sinking fund of $10,000 per annum commencing May 1, 1925, will provide for redemption of $255,000 by maturity.

First offered in May, 1924, at 98½ to yield 7.15 per cent. Present price to investors the same.

Devonshire Apts. First Offering on West Coast

The first real estate bond issue on the Pacific coast was that of Devonshire Apartments at Vancouver, B. C. The issue was for $450,000 and was secured by the site and seven-story building containing 122 apartments. The bonds are of serial maturities, 3 to 15 years, 1926 to 1937, and are callable at 105 and interest for the first six years and at 103 thereafter.

Capitalization—

6½% first mortgage bonds	$450,000

Bond Issue—

6½% first mortgage serial coupon bonds. Dated Oct. 1, 1923, maturing Oct. 1, 1926 to Oct. 1, 1937. Bonds and coupons payable in Canada and United States. Denominations of $1,000 and $500 bonds in all maturities; $100 bonds in last maturity only. First offered in November, 1923.

Halifax Business Block Issue Well Secured

One of the most important business blocks in Halifax, Nova Scotia, is the Wentzell Block, consisting of five separate buildings. Bonds were issued against this structure some time ago in the name of the owners, the Barrington Street Realties.

The issue of bonds amounted to $160,000, and an interesting addition to the usual form of security was given through the assignment to the trustees for the bond issue of life assurance policies maturing three years before the bond issue and having a face value of $100,000.

Capitalization—

	Authorized	Issued
7% 1st mtge. bonds	$200,000	$160,000
7% cum. pref. shares	100,000	76,000
Common shares	100,000	100,000

Bond Issues—

7 per cent. first mortgage gold bonds. Dated July 1, 1923. Maturing July 1, 1938. Principal and interest payable in Canada. Coupon bonds in $500 and $1,000 denominations.

Sinking fund is provided by assignment of life assurance policies maturing in 1935, for $100,000. On payment of last assurance premium, or in event of policies being sold, assigned, transferred or surrendered, the company will pay to the trustee each year an amount equal to 2½ per cent. of bonds outstanding together with 7 per cent. of bonds theretofore redeemed. First offered in September, 1923, at 100 to yield 7 per cent.

Home Bank Buildings Financed by Bond Issue

Bonds of Canadian Property Co. are involved in the Home Bank case, this company being a subsidiary of the bank, and holding all bank premises. An issue of $1,300,000 serial graduated coupon bonds was placed and was secured by mortgage on 21 buildings used as bank premises, and which were leased to the bank at a rental which provided a sum over and above the principal and interest charges. The value of the property at the time of the issue was $1,909,700. Included was the head office, in Toronto. On the graduated coupon the net yield was from 6.25 to 6.50 per cent. according to maturity.

Bond Issue—

$1,300,000 first mortgage serial gold bonds graduated coupon. Dated June 1, 1923, maturing serially in from 2 to 20 years, bearing interest at rate of 6½ per cent. during first seven years, 6¼ per cent. during the next seven years and 6 per cent. during the last six years. Bonds and coupons payable in Canada and United States. Denominations: $1,000 and $500 bonds in all maturities; $100 bonds 1943 maturity only. First offered in June, 1923, at par and accrued interest.

Insurance Exchange Bldg. Rentals Are Now Higher

The Insurance Exchange building in Montreal was brought to completion last spring. Other office buildings were completed about the same time, and as a result the renting of the new structure proceeded very slowly. It is now understood though that sufficient space has been taken up to insure interest on the bonds of the building and further rentals are being arranged gradually.

This is Montreal's largest office building and is right down town in the financial district.

The financing of the structure marked the entry of S. W. Strauss & Co. into Canada, and this firm issued $2,200,000 of bonds under their plan of real estate financing which provides for serial bonds and monthly payments by the borrower to the trustee of the bond issue.

Capitalization—

6½% first mortgage bonds	$2,200,000

Bond Issue—

6½ per cent. first mortgage serial coupon bond. Dated January 15, 1923. Maturing January 15, 1938. Bonds and interest coupons payable in Canada. Offered in January, 1923, at 100 to yield 6½ per cent.

Keefer Bldg. is Filling a Need in Montreal

Montreal has long felt the need of a modern office building in the uptown district that would provide space at reasonable rentals. Engineers, manufacturers' agents, architects, etc., have looked for such a structure. The Keefer building, which was completed this year, filled the need.

This building was erected by the Keefer estate, and is located on St. Catherine Street, just west of the shopping district. Due to the fact that several buildings, large and small, were completed or remodelled at about the time the Keefer building was thrown open for occupancy rentals have been slow, but there is every prospect of a successful history for the new office structure. The building was financed in part by the sale of $750,000 of first mortgage bonds.

Capitalization—

	Authorized	Outst'd'g
Capital stock	$1,000,000	$500,000
6½% 1st mtge. bonds	750,000	750,000
Second mortgage ...	50,000	50,000

Bond Issues—

6½% first (closed) mortgage sinking fund gold bonds. Dated June 1, 1923, maturing June 1, 1943. Principal and interest payable in Canada and New York. Coupon bonds of $1,000 and $500 denomination.

Sinking fund of $15,000 provided during the years 1926 to 1932, and $22,500 during years 1933 to 1942 inclusive.

First offered June, 1923, at 100, to yield 6.50 per cent.

King Edward Hotel Has $3,000,000 Bond Issue

A second issue of King Edward Hotel bonds has been recently made consisting of $1,000,000 first refunding sinking fund, series "A." It is part of an issue of $3,500,000, and the balance is reserved to cover a $2,500,000 mortgage held by Metropolitan Life, thus leaving the lien for the bonds as first claim on the hotel and furnishings. The King Edward had two other bond issues, first mortgage $800,000, 5 per cent., and second mortgage $700,000, 7 per cent. These were retired by the new issue. Part of the issue was sold in New York and the balance placed in Canada.

Capitalization—

Capital stock	$1,000,000
5% first mortgage bonds ..	800,000

(Continued on page 20)

A Montreal City Real Estate First Mortgage, Yielding 6.65%

First mortgages on real estate are the oldest known form of investment. Their dependability as a channel for profitable employment of savings has been recognized through centuries of history.

Their basic value as a sound investment has not changed; but modern methods have improved upon the form of their execution. The present-day Real Estate First Mortgage Bond affords the investor all the security of a private first mortgage, plus negotiability, without the trouble and expense usually entailed in preliminary investigation and subsequent supervision and interest-collection.

This class of security is typified by Acadia Apartments, Limited, 6½% First (Closed) Mortgage 15-Year Sinking Fund Gold Bonds which we are now offering.

The land and building covered by the mortgage are situated on Sherbrooke Street, opposite the Ritz-Carlton Hotel, in the heart of Montreal's fashionable west-end residential district.

Property values exceed by 52% the amount of First Mortgage Bonds issued. Semi-annual sinking fund payments will rapidly reduce the amount of bonds outstanding. Estimated net revenue is more than twice the annual interest requirement. Fire insurance provisions are ample.

For the investor who requires safety, combined with the assurance of a satisfactory income return, we recommend these bonds as particularly desirable.

The issue price is 98½ and accrued interest, to yield 6.65%. Write our nearest office for fully descriptive circular.

Royal Securities Corporation
Limited

MONTREAL 164 St. James St.
TORONTO 244 Bay St.
HALIFAX 187 Hollis St.
ST. JOHN 72½ Prince Wm. St.
WINNIPEG Electric Ry. Chambers
VANCOUVER Pacific Building

HB

Acadia Apartments,
LIMITED

6½% First Mortgage Bonds, due 1939

A portion of the 6½% First Mortgage bond issue of the ACADIA APARTMENTS, LIMITED,—now being offered to our clients with our recommendation — is available to other investors. The issue is well secured and enables the investor to obtain a yield of 6.65% for the next fifteen years. With interest yields now steadily on the down-grade, a satisfactory yield will be particularly appreciated during the next few years.

Prospectus and other information gladly furnished on request.

Price: 98½ and accrued interest, to yield 6.65%

HANSON BROS.
Investment Securities

160 St. James Street MONTREAL
FOUNDED 1883
63 Sparks Street OTTAWA

Real Estate First Mortgage Bonds

Security and Income in convenient, negotiable form

We are open to underwrite, and we have for sale, securities of this class on sound and profitable business properties.

The First Mortgage Bonds on the Professional Offices Building were underwritten and sold by us. Recently we were joint purchasers of the First Mortgage Seven Per Cent. Bonds on the Metropolitan Building, which we now offer at par.

We solicit your enquiries.

STEWART, SCULLY COMPANY LIMITED

McKinnon Bldg. TORONTO Main 5588

TORONTO OFFICE VACANCIES ONLY ABOUT 5 PER CENT.

Interesting Figures Compiled on Large Office Structures

MONTREAL EASIER

Space in Excess of Demand—Rentals of Past Ten Years Show a Considerable Advance

Recent additions to the rentable office space in Montreal and Toronto through the erection of new buildings have aroused the interest of the investing and business public. The results of an investigation made in Toronto by a prominent trust company official in connection with the placing of a loan on a new building, which were published by THE FINANCIAL POST, have caused some comment. Contrary to the opinion of many, the vacant space in ten representative large office buildings in the city was, at the time of the investigation, less than six per cent. of the capacity. The buildings and percentages were as follows:

C. P. R.	12%
Dominion Bank	1%
Royal Bank	10%
Bank of Hamilton	8%
Federal	None
Reford	18%
General Accident	None
Lumsden	None
Excelsior	1%
Temple	6%

The average is 5.6 per cent., which is considered moderate by experienced real estate men. Those familiar with the Toronto situation point out that some smaller and older buildings, chiefly in the lower areas toward the lake, have not fared so well in the matter of keeping their space rented. On the other hand, it is shown that this is the result of a very slow process of migration over a considerable period of years and the gradual improvements in the layouts and facilities in such buildings.

Need for Space Grows

Real estate men and rental agents express confidence in the future of Toronto's buildings. They point to the present size of the city, the second largest in Canada, and the advantages of the location as a growing distributing centre, involving a further use of office space. One realtor, in discussing the situation with THE FINANCIAL POST, indicated the possibilities for buildings farther north than the present office centre. At the same time he pointed to the apparent stability of the district between Wellington and King Streets for office purposes.

The course of the rates on rentals has also commanded some attention. The prevailing level is established well above that prevailing in 1914, while it shows a substantial recession from the high point of recent years. An example of former low rates may be found in an old lease still running in the Bank of Hamilton Building at $1.12 per square foot. When the Dominion Bank Building was completed offices were rented on ten year leases at $1.90 per square foot. With the increased building costs and running expenses an upward movement took place, some offices being rented at as high as $3.60 per square foot. While some leases at the higher rates are still running, the rates now being asked vary from $1.85 to $3. The average in nine centrally located buildings is approximately $2.50.

Montreal Situation

In Montreal the office rental space is reported somewhat in excess of the demand. A further surplus would result if the new head office building of the Royal Bank now planned becomes an early reality. The new Insurance Exchange Building, with some 190,000 square feet of floor space, is the largest office building in the British Empire and accounts for a great deal of the surplus, but the managers there are optimistic enough to predict that 80 per cent. of their space will be occupied by next May.

While a survey of the larger office buildings reveals that practically everyone of them has some space to rent, most rental managers interviewed by THE FINANCIAL POST view the future with more or less optimism. They readily admit that at the present time five or six per cent. of their space is unoccupied, but at the same time they look for the clearing-up of the situation in Europe to improve business conditions the world over. In this case they expect rental space to be at a premium in the city within a few years unless several new buildings are erected. They believe the good times of 1914 and 1920, when office space could not be had, will be repeated a few years hence. Land values have advanced since '14, as the desirable locations have been gradually taken up and rentals have kept pace.

Rentals Have Advanced

It is interesting to compare rentals of ten years ago and to-day. In 1914 we find that an average rate was $1.25 per square foot. Two years later that was the rate in the newly-erected ten-story Bank of Toronto Building at the corner of St. James and McGill Streets. In 1921 this rate was raised to $1.75. To-day the rate is $2.25 per square foot in that building. These figures are representative of the general trend for all Montreal office buildings during that time. Exclusive of space occupied by the bank itself, this building has approximately 34,500 square feet of rentable office space and has all but two per cent. occupied, and in this particular is better off than some of the other buildings having five or six per cent. of their areas unoccupied.

The Dominion Express Building also on St. James Street, a ten-story structure erected in 1914, is now charging about $3.30 per square foot as compared to approximately $1.75 in the first year of the war.

It would seem from a thorough survey of the situation that expenses of operation and taxes have not increased in the same degree as have the earnings of these buildings. Nevertheless, in spite of this, returns on junior securities, representing equities, have not been as satisfactory as anticipated in the case of the larger office buildings, due in a large measure to the Great War.

In summing up the office building situation it would seem fair to state that although at present the rental outlook is not as encouraging as it might be, the outlook is a bit brighter and when the Dawes scheme is finally put into operation, bringing better business with it, office space will be much harder to get than it is at present. Office buildings have not given as high return as other types of investment during the past few years of high interest rates, although this has not applied in the case of the holders of the mortgages and mortgage bonds. To these the interest returns have been high.

ACADIA ISSUE HAS SOLD VERY WELL

Some Comment on Marketability of the Average Canadian Real Estate Bond

From Our Own Correspondent

MONTREAL.—The syndicate marketing the issue of bonds of Acadia Apartments has made good progress in getting the issue into the hands of investors. One attraction has been the yield of 6.65 per cent., which is higher than can be obtained on most first-class bond issues at the present time.

The backing of the Acadia Apartment issue provides an interesting commentary on one difference between real estate mortgage bonds in Canada and the United States. Three large investment houses are selling the Acadia issue and other real estate bond issues that have been put out in Canada have been launched under the auspices of similar firms. These firms have in the main kept up public interest in these issues even after they have been sold. A good "secondary" market has been maintained. As a result investors have found real estate bond issues readily marketable.

In the United States the only wide market for many of the real estate bond issues has been with the issuing firms. The larger firms specializing in this type of security have found it advisable to arrange to buy in any of their issues, when investors needed to sell, at par or some reasonable figure close to par. Where this has not been done ready marketability has not always been had in the case of American issues.

Rising Living Standard Taking Rentals Along

From an independent survey of the residential rent situation conducted by the National Real Estate Association of the United States, as well as from the answers to the market questionaire, the following conclusions are drawn:

1. The tendency toward stabilization of residential rents, which was pointed out in the survey of the real estate market as of November 1, 1923, conducted by the National Association, has become distinctly more pronounced, 74 per cent. of all the reports indicating that rents are stationary, only 10 per cent. up and 16 per cent. down.

2. The influence of a rising standard of living is apparently a greater factor in the increase in residential rents than it is usually considered to be. The highest rents are reported for kitchenette apartments of the most modern type in the best locations. In all types of property, there is a considerable gap between rent charged for the best accommodations in the best locations and that charged for accommodations of a medium grade in moderate locations. Shelter can still be had in any sized city at rents which are strikingly low, but rents charged for modern high grade accommodations, in keeping with the cost of construction, are high.

RESIGNS FROM OLD FOLEY

Frank Carnegie has resigned from British Canadian Mines at Mine Centre. Alex. Smith is now in charge.

REALTY MORTGAGE BOND ISSUES TAKE WELL IN DOMINION

(Continued from page 17)

ard of values, let us say that he values his land at $300,000 and wants to put up a building to cost about $2,000,000. He should be able to borrow about a million and a quarter dollars on his first mortgage. But he might find it very difficult to find a single individual who would have that much money to invest. He might arrange the loan with an insurance company either in the shape of a mortgage direct or in the shape of first mortgage bonds. But even insurance companies are limited as to the amount of money they have available for investment at any one time, and so the builder approaches an investment banking house and asks them to loan him the money. After examining carefully the whole enterprise the investment banking company takes on the loan. It advances perhaps 50 or 60 per cent. of the value of the building and land and takes a mortgage. This mortgage is used to secure bonds which are issued in suitable denominations. The trust deed of mortgage securing the bond issue is a lengthy document for it must cover every conceivable contingency in order to protect the bondholder. Here is where the investor must insure himself that he is dealing with a responsible house, one in which he has confidence and which will pay attention to all the necessary requirements of safety.

Usually it is arranged that the bonds mature materially, that is, a certain amount will be paid off each year. This means that the mortgage is being regularly reduced to counteract any depreciation in the value of the property and thus the security for the bonds still outstanding remains proportionately the same. As a matter of fact the security is probably higher, for the bond house inspects the mortgage property regularly and insists that the premises be maintained in excellent repair.

Bond houses have at their disposal the best of advice; they command the services of lawyers and real estate experts, engineers and appraisers and so the number of times that investors have lost on first mortgage real estate bonds is small indeed. There are various types of real estate bonds, of course, but the one that is likely to be most favored by investors and which is likely to give the best account of itself is the first mortgage bond on a single, large structure. In the case of the Mount Royal Hotel $4,000,000 first mortgage bonds were sold to the Metropolitan Life of New York. In the case of other buildings the first mortagage has been sold to a wide number of investors. Some of the more important outstanding real estate bond issues are the bonds of the Linton Apartments, Montreal; the Metropolitan Building, Toronto; the Ritz Carlton Hotel, Montreal; the Drummond Court Apartments, Montreal; the Windsor Hotel, Montreal; Professional Offices, Toronto; the Medical Arts Building, Montreal; the Transportation Building, Montreal; the Insurance Exchange Building, Montreal; the King Edward Hotel, Toronto; the Federal Building, Toronto; Ogilvie Realties, Montreal; the Booth Buildings, Ottawa; Prince Edward Hotel, Windsor. There have been many other issues in the past year or two, but these represent some of the more important now outstanding and most of them are very recent offerings.

Other Types of Issues

There are, of course, other types of real estate bonds. There is a debenture mortgage bond that is not always a first lien on the property, but is a lien on assets. If there is no first mortgage ahead, of course, it becomes a first lien on the property, but quite often the debenture mortgage bond is issued on property that has already been mortgaged up to some extent.

There are leasehold mortgage bonds on property that is held under lease. Similar to this type of security is a real estate mortgage bond on a building which has been built on leasehold land. In this case the lease property is really a first charge prior to the interest on the first mortgage so the leasehold mortgage is not, strictly speaking, a first charge security.

Another type of real estate bond is secured by a number of small mortgages rather than by one large mortgage on a single building, and in the case of such securities the borrower has the option of replacing mortgages with others of equal value and thus the entire structure of security is kept in fairly liquid conditions.

Real estate mortgage bonds have been issued against vacant lands, but not to any degree in Canada since before the war. Many of the companies that issued bonds of this nature got into financial difficulties during the protracted period of the war and bond interest was passed. Some of them are now paying up arrears of interest and paying off the principal.

The question of convertibility of the bonds is naturally of importance. In the past the average mortgage bond has not been as salable as some of the bonds of more widely known industrial companies. This situation is arighting itself as the issues become more popular. Generally speaking, the investor who buys a real estate mortgage bond from an investment house that continues to take an active interest in its securities after they are on the market will nearly always be able to find a purchaser for his bond.

KNITTING FACTORY READY

ORILLIA.—The new factory of the Wedgewood Knitting Company is almost completed and the company will shortly move their machinery and equipment from Toronto and start operations.

Church Issue Recently Placed in Montreal

A church issue, recently awarded by tender to Versailles, Vidricaire, Boulais, Ltd., Montreal, was that of Fabrique of St. Ambroise in St. Denis and Villeray wards, Montreal. The funds are to go to build a new church. The issue is for $200,000, 5½ per cent. serials, due 1925-1965, and are secured by an assessment of the property of the parishioners of whom there are 700 families.

Mortgage and Bond Totals on U.S. Properties Reach Huge Sum

Is Greater Than the Gross Public Debt of the Whole Country With Billions Being Added Every Year

A conservative estimate of all loans secured by farms, homes and business properties in the United States is the enormous sum of $24,810,625,513.04. This is more than the allied debt to the United States, which is in round numbers 11 billion dollars. It is more than all loans and discounts of all banks and trust companies that are members of the Federal Reserve System, which total $11,934,000,000. It is greater than the total gross public debt of the United States, which is $21,914,000,000. Mortgage loans and bond issues secured by coal, timber and mineral lands, railways, city transit companies, industrial plants and the like are not included in the estimate. The estimate is of December 31, 1923.

The mortgage debt on homes, farms and business properties in the United States is now increasing almost a billion dollars a year. This is an increase of $404,256,573.67 for financing homes, an increase of $332,476,123.30 for financing business properties through mortgage, and an increase of $257,733,048.81 on farm mortgage loans. The number of homes in the United States, not farms, ownership of which is held subject to mortgage, totals 6,987,386, with a total estimated debt at the close of 1923 of $14,687,485,372. The total number of homes in the United States is 4,317,599.

Of the almost four and a half million farms in the United States the number whose ownership is being financed through a mortgage is 1,727,039. The estimated debt on all farms at the close of 1923 is given as $5,303,870,420. A total of $3,606,500,000 was being loaned on business property in the United States at the close of 1923.

HOUSSER WOOD AND COMPANY
LIMITED
Canadian Government & Municipal Bonds

Cable Address
"Houserwood"

H. B. HOUSSER
G. L. RALSTON

J. W. WOOD
A. B. D. BRUCE

Toronto, Canada

To the Investing Public:

Since the days of ancient Babylon—4,000 years ago—first mortgages on real estate have maintained their record as thoroughly sound and safe investments.

Office Building loans have an exceptionally fine investment record, being singularly free from the perils which beset many other types of corporation securities. This form of security is not confronted with—

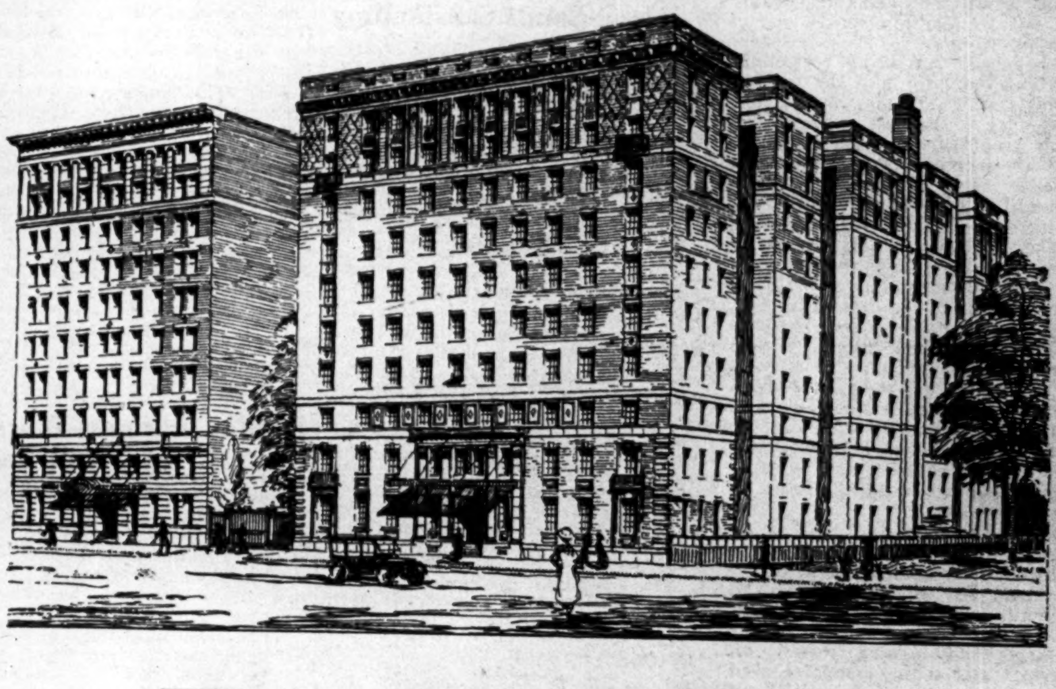
1. Labor problems.
2. Government regulations.
3. They carry no inventories or credits, and contract no bad debts.
4. They are not dependent on any individual business or group of businesses.
5. The security is fundamental and absolute.

As long as business of any kind is transacted in large cities, the organization which renders it possible must be centrally, safely and efficiently housed; such housing is the product which the city office building has to sell.

The Metropolitan Building, Limited, 7 per cent. First Mortgage Real Estate Bonds, are one of the most attractive office building issues which have been offered the Canadian investor. They may be purchased in amounts of $100, $500 or $1,000; the price is 100 and interest—yielding 7 per cent.

Write for particulars.

Yours very truly,
HOUSSER WOOD & COMPANY
LIMITED



The DRUMMOND

The success of the Drummond Apartment Building, erected in 1919, was responsible last year for the erection of a new and larger apartment adjoining the former building. These two properties comprise Canada's largest apartment building and one of its most modern and attractive residential structures.

The two buildings are ten stories high and contain 196 apartments served with elevators, steam heating plant, refrigeration and electric lighting.

The central location, between the chief shopping street and the chief residential street of Montreal, insures a keen demand for apartments at all times.

Investors who have purchased the bonds of the Drummond Investment Company, Limited, owner of this twin apartment, have as security a structure that graces the city where it is built and that performs a meritorious public service in providing commodious and pleasant homes for many of its citizens.

Drummond Apartment Building

Erected in 1919; number of apartments, 75; area, 18,296 square feet.

Drummond Court Apartment Building

Erected in 1924; number of apartments, 120; area, 27,216 square feet.

Drummond Investment Company, Limited
MONTREAL

We underwrote and sold the following first mortgage real estate bonds:

Marcus Loew's Theatres, Ltd., Toronto

Border Cities Hotel Co., Ltd., Windsor

The Mount Royal Hotel Co., Ltd., Montreal

Keefer Realty Corporation, Montreal

First Mortgage Real Estate Bonds, secured by a well located, modern and excellent revenue-producing property are an absolutely reliable investment.

Such bonds are quickly taken up by institutions and large private investors because they provide abundant security, and return good interest over a long term of years.

W. A. Mackenzie & Co., Ltd.
INVESTMENT BANKERS

38 King St. West, Toronto, Ont.
193 Sparks St., Ottawa, Ont.
505 Transportation Bldg, Montreal, Que.

The
Chartered Trust & Executor Co.

specializes in the Trusteeships of Bond Issues

and its trust department is exceptionally experienced and skilled in the performance of the technical and important duties of a trustee.

This company has acted as trustee of many public bond issues in recent months, including the issue on the new 21-story Metropolitan Building at Adelaide and Victoria Streets, Toronto.

CHARTERED TRUST & Executor Company
46 King Street West, Toronto

HON. W. A. CHARLTON, President
JOHN J GIBSON, Gen. Mgr.

STRENGTH
SERVICE
SECURITY

W. S. MORDEN, K.C.
Vice-President and Manager of Trust Department

Real Estate Bonds

which are issued against property and modern buildings ideally located in a growing city and for less than 60% of the total value, as estimated by reliable valuators, are a safe and dependable investment.

We have such a bond to offer in

The Metropolitan Bldg. Limited
7% FIRST MORTGAGE BOND
Due July 15, 1944
Denominations: $1,000, $500, and $100
PRICE: 100 and interest, to yield 7%

We shall be pleased to furnish further particulars on request.

Write for descriptive circular.

MURRAY & COMPANY
INVESTMENT BANKERS
Continental Life Bldg. Toronto, Ontario

WILL DRILL IN ALBERTA

LETHBRIDGE. — The Gladys Belle Company, which has a number of producing oil wells in the Montana Sweetgrass field, is making arrangements to do developing work in the Canadian Sweetgrass area, just across the border. The company has 15,000 acres of leases near the Rogers gas well.

STRUCTURAL STEEL ORDER

AMHERST, N.S.—The rolling mills of the Canadian Car & Foundry Co. here are busily engaged on an order for several hundred tons of reinforcing rods to be used for construction work in Montreal. It is the first time that work of this description has been carried out at the local mill.

Safety of Mortgage Bond Issues Depends on Care in Making Loan

No Fixed Percentage of Value; Appraisal Should be Made by Experts; Practice of Requiring Monthly Deposits From Borrower Grows

By EDGAR N. GREENBAUM, vice-president Greenbaum Sons Investment Co., Chicago.

Conservatism in making loans does not mean being prohibitively cautious or apprehensive. It means placing a fair reasonable market value on the property offered as security and loaning as much as you feel can be loaned with safety and without taking a chance after a thorough searching examination has been made. There are no hard and fast rules to determine what percentage can be loaned. Some loans are more conservative at 70 per cent. of the value of the property than others are at 40 per cent. The character, location, income and desirability of the property regulate the amount that may be loaned with impunity.

Percentage Varies

The old rule of 50 per cent. loans is passe. We all know from experience that a 66-2/3 per cent., or even 70 per cent. bond issue loan on a well-located property, bringing a net income of three times the maximum interest charges. with annual or semi-annual prepayments of principal, is just as safe, in fact, safer than the old-fashioned 50 per cent. mortgage on a small home. In the case of a 70 per cent. bond issue, $350,000 on a $500,000 apartment building or business block, there is an equity of $150,000 to be dissipated before the lender is in danger of a loss. This would ordinarily mean in case of trouble that if the equity cannot be sold for $150,000 it can be sold for $125,000 or $100,000, or even $25,000. Somebody will pay something for a $150,000 equity.

In the case of a $1,000 loan on a $2,000 cottage, interest in arrears, taxes, repairs, attorneys' fees, etc., will quickly eat up the $1,000 equity. Furthermore, the income from the cottage is derived from one source only. If the owner is sick, or loses his job, he will have difficulty in paying this interest and may have to default. The large building with diversified tenantry derives its income from many sources. When one tenant cannot pay his rent and moves, it is a simple matter to secure a successor. Hence, if the owner of the property applies the net income to the payment of interest and principal of the bond issue, provided the loan has been conservatively made, there should be no occasion for a default.

Have Expert Appraisal

The main factor to consider when loaning is, as we all know, safety. But how can we be assured that a loan is safe? First, we must be certain of the value of the security and that requires the services of experts. Don't guess at values and don't rely on the statements of the borrower, as they in general are inclined to be a bit—shall we say—optimistic. If you are not thoroughly familiar with real estate values in the locality of the property on which the proposed loan is to be made, get the valuation from the local real estate board's valuation committee, or else some expert valuator. If you cannot figure the plans yourself, get an expert to do it for you.

The well organized bond house today has both experienced appraisers and competent estimators in their organization in order that they may know with reasonable accuracy the true value of all propositions submitted to them. One point I should like to stress is that even though there is enough physical security—brick and mortar and land, in order for a loan to be safe, there must be income adequate enough to easily take care of the interest and principal requirements. If you were to make a loan of $500,000 on a property worth $1,000,000 which was bringing no rent and the borrower had no outside resources, you would have trouble with the loan. However, after being satisfied that there is adequate security for a proposed loan there is another point of vital importance which must be taken into consideration, and that point is salability.

No matter how safe a loan may be, if the bonds are not readily salable, don't make the loan. The most readily salable bonds are those sesured by well located, good appearing buildings bringing a good income and with a responsible mortgagor.

The lending of money by means of mortgage, as we all have heard frequently of late dates back to the days of the Pharaohs, but it is only in the last fifteen or twenty years that rapid strides have been made in the development of real estate bonds. However, during this period there have been new ideas evolved and old ones revised to such an extent that there has been a complete transformation in the method of financing real estate operations. To take cognizance of some of the most outstanding modern ideas seems advisable, as I firmly believe the very near future will and should see many of these practices standardized. Even to-day, without adopting many of these new customs and making them definite requirements, it would be difficult for anyone to build a successful real estate bond business. Probably the most important innovation is the provision requiring the borrower to deposit monthly, with a trust company, one-twelfth of the annual requirements of principal and interest. By this means the lender is enabled to keep in close touch with the borrower at all times, giving a constant check on his regularity and dependability. It is an insurance policy to prevent the income being diverted to some other purpose. In the case of apartment building loans, for instance, the rental from the building is received monthly, thus making it far simpler and easier for the owner to create a reserve monthly towards the payment of his mortgage indebtedness. The accountants tell us that this is good accounting practice based on the elemental principle that it is easier to pay one-twelfth of a given sum each month than to pay the entire amount at once.

Reduction of Principal

Another change in the past few years is the requirement of annual or semi-annual reductions of principal. Formerly a mortgage loan was made for a fixed period of time, usually three or five years. If the neighborhood deteriorated or the property depreciated in value, the maturity of the mortgage would show a decreased margin of security possibly imperiling the principal. To-day the average bond issue contains a serial amortization of from 3 to 5 per cent. per annum, which more than offsets any possible lessening of the security. In fact, in the majority of instances there is a far larger margin at maturity than at the inception of the loan.

Another new provision, rapidly becoming standardized, is the requirement that the borrower furnish a guarantee policy of title insurance from a responsible title company. The old plan was to have an attorney examine the abstract of title and then furnish a statement to the effect that "in my opinion I believe the title is O. K." This, of course, represented no responsibility on the part of the attorney. If he made a mistake he regretted it, but that was all. Today we have an actual bona fide guarantee which keeps the lender harmless from loss due to defective title or forgery.

Construction Loans

When making construction loans it has in late years been customary to recognize the fact that interest on the bond issue during the period of construction must be considered as part of the cost of the building, and as a result thereof, the practice is rapidly becoming uniform to withhold this interest from the proceeds of the loan. Usually this means six months' interest on buildings of ordinary construction and one year's interest on fireproof construction. The merit of this plan is easily discernible. In former years there was nearly always difficulty in collecting the first interest payment, as the owner would almost invariably fail to make adequate provision for it, figuring that the first rentals would be sufficient for the interest requirements and then at the last minute find out that he had made an error in his calculations. The new plan removes the possibility of this error.

Experience has taught us that in financing a new building the best way to make certain there will be sufficient funds available to complete the building, free from mechanics' liens, is to have the borrower deposit with the bond house the difference between the loan and the cost of the building prior to the opening of the loan. In other words, the owner must use his money first, and the proceeds of the bond issue are paid out only after evidence has been furnished that there is sufficient in the loan to finish the building. This is very important. It would seem that if the borrower is responsible it would make no difference whether his money were expended first or last, but it does.

There are many things to guard against; financial reverse of the owner, or money used for some other purpose in the interim and not available being reasons sufficient to show the fallacy of relying on the owner to produce the balance of the funds at his pleasure. If the bond house has always enough of the proceeds of the loan remaining in its possession to complete the building in case of emergency, it will avoid many unpleasant and unprofitable experiences.

PRODUCTION OF DOME STEADY

Dome Mine August production totalled $369,082 compared with $361,994 in July and $360,570 in June.

The Wm. F. SPARLING COMPANY
Architects and Engineers
Established 1909

Designers of:
- **Metropolitan Building.**
- **Trusts & Guarantee Bldg.**
- **Masonic Temple** (Yonge St.)
- **Foy Building.**
- **Lever Bros. Factories.**

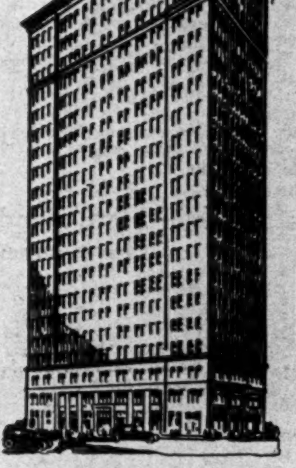
and many other factories and residences.

Specializing in Factory Layout.

54 University Ave. - Toronto

MYW

An Authorized Investment for your Life Insurance Premiums — and 7%



Under the Dominion Insurance Act, the 7 per cent. first mortgage sinking fund gold bonds of The Metropolitan Building, Limited, are an authorized investment for Canadian life insurance companies. Leading Canadian life insurance companies have already invested in these bonds.

The judgment of the experts who framed the Dominion Insurance Act stamps these bonds as a safe investment. The yield on your money is 7 per cent. These bonds may be purchased either for cash or through the medium of our Savings Investment Plan—ten per cent. with the order, and the balance at the rate of ten per cent. per month.

Write today for full particulars.

McLEOD, YOUNG, WEIR & Co.
Limited
TORONTO, 25 JORDAN ST.
MONTREAL, 40 HOSPITAL ST.

Municipal Bankers Bonds
—Give You Safety and 6%

Municipal Bankers Bonds are secured "Dollar for Dollar" by the three safest known forms of investment — Government Bonds, Municipal Bonds and carefully selected Mortgages on Ontario Homes.

The mortgages are independently appraised by a Trust Company and together with Government and Municipal Bonds are deposited under a trust deed, with the Montreal Trust Company. Municipal Bankers Bonds are then issued "Dollar for Dollar" against these securities.

The specialized experience, integrity and responsibility of the executives at the head of this corporation assures the closest supervision of all bonds and mortgages deposited.

Municipal Bankers Bonds are issued for a 20-year term, assuring the investor a fair and consistent rate of interest over a long period. The interest is payable at par, every six months, at any branch of the Royal Bank in Ontario.

This class of security has stood the test of time and combines the most desirable features of sound investment—safety and fair interest return. Issued in denominations of $100, $500 and $1,000, they meet the requirements of the large or small investor.

We have prepared for distribution a very interesting booklet, "What Investment Authorities say about Municipal Bankers Bonds." If you are interested in locating a safe channel for the investment of your surplus funds it will well repay you to have us send you a copy of this booklet.

Municipal Bankers
Sales Corporation, Limited
Government Municipal and Mortgage Bonds
34 King Street East, Toronto

Sir William Hearst, K.C.M.G., President

Sir John Willison, K.B., LL.D., Vice-President

Real Estate Bond Issues

(Continued from page 17)

7% second sinking fund ..	625,000
7% serial coupon notes ..	250,000
7% first refund bonds ...	1,000,000

Bond Issues—

5 per cent. ten-year. Dated April 1, 1918, maturing April 1, 1928. 7 per cent., second fifteen-year sinking fund. Dated April 1, 1918, maturing 1933. Principal and interest payable in Canada and New York. Coupon $500.

Sinking fund March 1, 1924, $35,000; 1925, $40,000; 1926, $45,000; 1927 and 1928, $50,000 each; 1929, $60,000; 1930, $65,000; 1931, $85,000; 1932, $95,000; 1933, $80,000.

First offered in March, 1918, at par, carrying a bonus of 40 per cent. common stock.

7% serial coupon notes. Dated May 1, 1922, maturing $100,000 each on July 1, 1923 and 1924, and $50,000 July 1, 1925.

7 per cent. first refunding sinking fund mortgage gold bonds, series A. Dated March 1, 1924, maturing March 1, 1944. Interest payable in Canada and New York. Principal and interest payable in United States gold coin. Coupon bonds of $1,000, $500 and $100 denominations.

Sinking fund on March 1, 1929, and in each year thereafter, there will be an annual sinking fund of 2 per cent.

First offered in July, 1924, at 99, to yield over 7 per cent.

La Patrie Recently Put Out $500,000 Issue

A recent issue of La Patrie Publishing Company is generally looked upon as a real estate mortgage bond issue. The amount of the issue was $500,000 but the property which houses La Patrie's activities has an appraised valuation of slightly over that amount in addition to other assets such as machinery and equipment.

The building is six stories in height, located in the centre of the French Canadian business district of Montreal.

La Patrie is an evening daily that has come up very rapidly in the past few years and that is well established among the business and social leaders of French Montreal.

Capitalization—

	Authorized	Outst'd'g
6½% 1st mtge. bonds	$500,000	$500,000
6½% pref. shares ...	125,000	100,000
Common shares	500,000	335,050

Bond Issue—

6½ per cent. 20-year first mortgage, sinking fund gold bonds. Dated January 1, 1923, maturing January 1, 1943. (Closed.) Principal and interest payable at Provincial Bank of Canada, Montreal. Denominations $1,000 and $500.

Sinking fund January 1, 1925, to January 1, 1929, 1 per cent. January 1, 1930, and annually thereafter 2 per cent. of par value of bonds issued.

First offered in August, 1923, at 97½ to yield 6¾ per cent.

Medical Arts Bldg. Has Not Made Rapid Progress

Following a plan that had won wide favor in the United States, a group in Montreal erected a couple of years ago a building to be devoted exclusively to offices and laboratories for physicians, surgeons, dentists, nurses and other professional folk. This was the Medical Arts Building.

Naturally such a building is slow in filling up, for professional people are not usually free to move to new quarters on short notice. This has been the case with the Medical Arts Building and an adjustment of the second mortgage bonds had to be effected a year ago. This did not affect the security of the first mortgage bond issue which had been sold to American investors through a United States house.

Capitalization—

	Authorized	Outst'd'g
Common stock	$600,000	$600,000
Preferred stock	400,000	125,000
8% mtge. bonds ...	550,000	550,000

Bond Issue—

8 per cent. first sinking fund gold bonds. Dated May 1, 1923, maturing May 1, 1937. Principal and interest payable in Canada and United States. Sinking fund of $22,000 per annum from April 15, 1924, and continuing to maturity.

First offered in June, 1922, at 101 and interest.

Metropolitan Bldg. is Latest Toronto Offering

The Metropolitan Building is to be added to Toronto's down-town office structures. The raising of the old building on the site is now underway, and a start on construction will immediately follow.

The structure is being financed through an offering of $1,025,000, 7 per cent., first mortgage, 20-year issue. An estimate of earnings shows the bond interest earned over 2.40 times, the gross annual income being placed at around $300,000. The figures are based on a close survey of the office rental situation in Toronto.

Capitalization—

7% first mortgage bonds	$1,025,000

Bond Issue—

7 per cent. 1st (closed) mortgage full sinking fund gold bonds. Dated July 15, 1924, maturing July 15, 1944. Coupon bonds in $100, $500 and $1,000 denominations.

Sinking fund to be provided sufficient to redeem the entire issue by maturity.

First offered in August, 1924, at 100 to yield 7 per cent.

Mt. Royal Comes Close to Fulfilling Expectations

Mount Royal Hotel is coming very close to fulfilling the expectations of its promoters. It has been operated on excellent lines, and has drawn business that has filled it to capacity during many of the months since it was opened. The annual statement for the current calendar year should indicate earnings as satisfactory as could reasonably be expected of a new hotel. It filled a real need in Montreal, a fact that is evident now more than before the structure was undertaken. Construction was expensive and as a necessary corollary the financial burden is very great. First mortgage bonds total $4,000,000 7 per cent.

It is too early to judge the financial future of the proposition, but prospects are not unpromising.

Capitalization—

Common stock	$6,000,000
8% cum. preferred	7,000,000
7% first mortgage bonds ..	4,000,000
8% convertible debentures	6,278,800

Bond Issues—

7 per cent. first mortgage gold bonds. Dated January 1, 1922, maturing January 1, 1942. Interest payable in Canada and New York. Coupon bonds in $1,000 denomination.

Sinking fund, beginning March 1, 1924, $80,000 per year to 1932; from 1932 to 1941, $120,000 per year.

First offered in January, 1922.

8 per cent. convertible debentures. Dated Sept. 1, 1921, maturing July 1, 1923. Interest payable in Canada and New York. Coupon $100, $500, $1,000 and $5,000. First offered ($4,000,000) in Jan. 1921 at par and accrued interest with bonus of 40 per cent. in common stock and $1,000,000 each in August, 1921, and October, 1922, and accrued interest with bonus of 30 per cent. in stock.

Municipal Bankers' Bonds Are Quite Well Secured

Municipal Banker's bonds, a real estate security, have sold well throughout Ontario. These bonds are secured under a trust deed by debentures and mortgages selected by the management. The company buys first and second mortgages at a discount and places them in trust to secure the bonds it issues. Additional security is provided by the assets of the corporation itself. The bonds are similar in some degree to trust certificates of a trust corporation with a smaller yield, only the latter would have no second mortgages behind them and in most cases would have larger assets. The bonds are regarded as ranking somewhere between a municipal security and an industrial bond.

Bond Issue—

$2,000,000, 6½%, twenty year mortgage gold bonds. Dated Feb. 1, 1922, maturing Feb. 1, 1942. Principal and interest payable in Canada only. Denominations: $1,000, $500 and $100.

Sinking fund, from Feb. 1, 1927, to Feb. 1, 1932, 1% of bonds outstanding and thereafter until maturity 2%.

First offered in March 1922 at 103 to yield 6¼%.

Ogilvie Store Bonds Have Fine Security

A separate corporation under the name of Ogilvy Realty Corporation was formed to sell first mortgage bonds secured by the department store property of James Ogilvy and Company in Montreal. This step was taken because the real estate offered as security had a value well beyond the amount of the mortgage.

The Ogilvy department store is the most westerly of the group of Montreal department stores. It has a clientele almost exclusively its own, and while its turnover is not great, its expenses are lower than those of the more centrally located stores. Investors in the bonds were so well secured as to property value that little reference was made to the store's earnings.

Capitalization—

Capital stock	$675,000
6½ per cent. mtge. bds. ...	800,000

Bond Issue—

6½ per cent. first sinking fund gold bonds. Dated December 1, 1922. Maturing Dec. 1, 1952. Principal and interest payable in Canada and New York. Denominations $500 and $1,000.

Sinking fund commences in 1923, sufficient to retire the whole issue at maturity.

First offered in Nov. 1922 at 100 to yield 6½ per cent.

Prince Edward Hotel of Windsor Doing Better

The Border Cities Hotel Co. carried out a part of their financing by the issue of $850,000 bonds on the Prince Edward Hotel, the total value of which is $1,850,000. Windsor long needed a new hotel, and the new structure is filling that need. A handicap is the close proximity of Detroit, but gradually the public is coming to know of the changed hotel conditions at Windsor and are patronizing the Prince Edward. The many Windsor race meets keep the house at capacity business most of the summer months.

Capitalization—

	Authorized	Issued
First mtge. bonds .	$ 850,000	$ 850,000
7% preferred stock	1,250,000	850,000
Common stock	1,250,000	850,000

Bond Issue—

7½% first mortgage serial gold bonds. Dated, Sept. 1, 1921, maturing Sept., 1924 to 1941. Principal and interest payable in Canada and New York. Denomination $1,000. The terms of the trust deed securing bond issue provide for the retirement of 40 per cent. of the bonds between 1924 and 1940, the balance of $500,000 remaining in 1941 to be paid at maturity. First offered in Sept., 1921, at 100 to yield 7.50 per cent.

Professional Offices Placed $275,000 Bonds

A real estate bond issue, maturing serially in 18 years, commencing next year, is that placed to help finance construction of Federal offices. The bond issue totalled $275,000, 7 per cent. Rentals are to be paid direct to the trustee, and it is estimated that these will be four times the bond interest. The purpose of the building is to provide office space for doctors and dentists. Such buildings are a proven success in large United States cities. Space is being taken up fairly well, it being announced that before construction started, 40 per cent. of the space available was leased. There are 1,200 doctors and dentists in Toronto, and Federal offices can accommodate 80.

Capitalization—

7% 1st mortgage bonds ...	$275,000

Bond Issue—

7 per cent. first mortgage serial bonds. Dated July 1, 1922, maturing Jan. 1, 1925 to July 1, 1942. Principal and interest payable in Canada only. Coupon serial bonds of $1,000 and $500 denominations. First offered in July, 1922, at 100 to yield 7 per cent.

Ritz-Carlton in Montreal Hurt by Its Location

One of the real estate propositions that has not met with signal success is the Ritz-Carlton hotel of Montreal, patterned on the scheme of the chain of exclusive Ritz hotels around the world. Hotel men give as the reason for the failure of Ritz-Carlton hotel to be an outstanding success, the fact that it is not well located. It draws a selected patronage from world travellers who know the Ritz-Carlton methods and from businessmen in other parts of Canada who want a quiet residence during frequent visits to Montreal, but it has not the general tourist and commercial business that crowds Montreal's other hotels. Montreal is gradually moving uptown, and the likelihood is that within a few years the Ritz-Carlton will find itself located nearer to the centre of business, while at the same time retaining its proximity to social and residential life.

There has been the suggestion that the Ritz-Carlton would be turned into a private hotel or apartment hotel but no step has been taken in this direction.

Capitalization—

	Authorized	Outstanding
Common stock ...	$1,000,000	$1,000,000
7% cum. part. pref.	1,000,000	1,000,000
5% 1st gold bonds	1,000,000	647,500
6% 2nd gold bonds	900,000	852,875

Bond Issues—

5% first gold bonds. Dated June 1, 1912, maturing June 1, 1942. Principal and interest payable in Canada and London. Coupon $1,000.

First offered ($500,000) in July, 1912, at 95 and interest.

6 per cent. second gold bonds. Dated Jan. 1, 1920, maturing Oct. 1, 1943. Interest payable in Canada only. Originally dated Oct. 1, 1913, to mature Oct. 1, 1923, but extended in Jan. 1920, to Oct. 1, 1943.

Windsor Hotel Bonds Very Well Regarded

About two years ago the Windsor Hotel, which up to that time had been only moderately successful, was purchased by Donat Raymond and associates, and entirely refinanced. Since that time amazing progress has been made, and the company is now understood to be in a flourishing condition.

An issue of $2,500,000 of bonds was sold to the public and was readily taken up. It is generally recognized that the Windsor Hotel is a valuable piece of real estate altogether apart from its profit and loss statements. Real estate alone provides more than two dollars of assets for each dollar of indebtedness.

The Windsor occupies one of the best hotel locations in Montreal. It has now about 700 rooms and these are filled a large part of the year. Influx of American tourists to Montreal in both summer and winter has been of great assistance in maintaining high revenues.

Capitalization—

	Authorized	Issued
6½% first (closed) mtge. bonds	$2,500,000	$2,500,000
Common stock	3,000,000	2,500,000

Bond Issue—

6½ per cent. first mortgage sinking fund, 20-yr. gold bonds. Dated January 1, 1923. Maturing January 1, 1943. Principal and interest payable in Canada only. Coupon bonds in $1,000, $500 and $100 denominations.

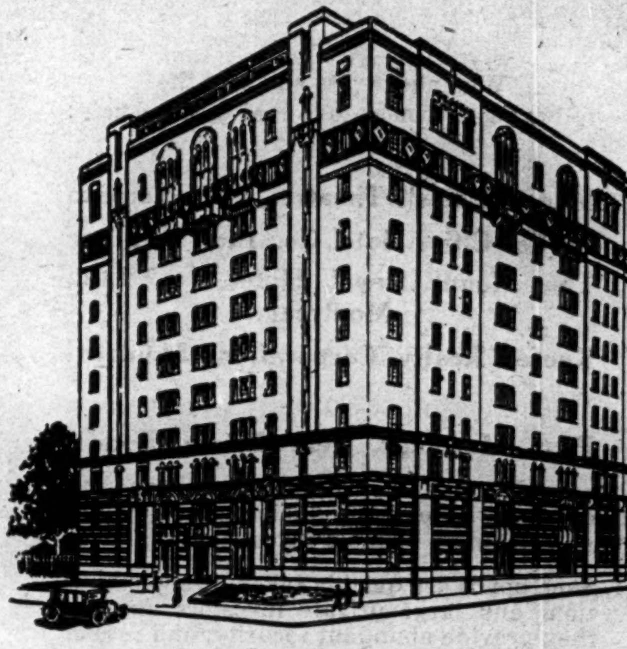
Sinking fund commencing January 1, 1926, 2% per annum.

First offered in January, 1923, at 100 to yield 6.50 per cent. Present price around 100.

Combination of Realty And Business Bonds

A combination of real estate and business bond is found in use in theatrical financing. In this case the bond has not only the security of the valuable theatrical property but has the addition of the earnings as well which at times soar to high levels. Loew's Toronto theatre is an example of this kind of bond, though there have been a number of other business issues that have as much real estate as they have business security and earnings behind them.

Other bonds which depend frequently on the security of the real estate behind them to strengthen their standing before the public, when offered are many industrial issues. Many of these firms have very extensive and valuable plants. Being short of working capital and with perhaps earnings low, they finance on the security of their real estate.



Acadia Apartments Ltd.
1st Mortgage 6½'s, due 1939
to yield 6.65%

A first mortgage on one of Montreal's finest sites at Sherbrooke and Drummond Streets.

The apartment house illustrated herewith is now under construction for completion May 1st next.

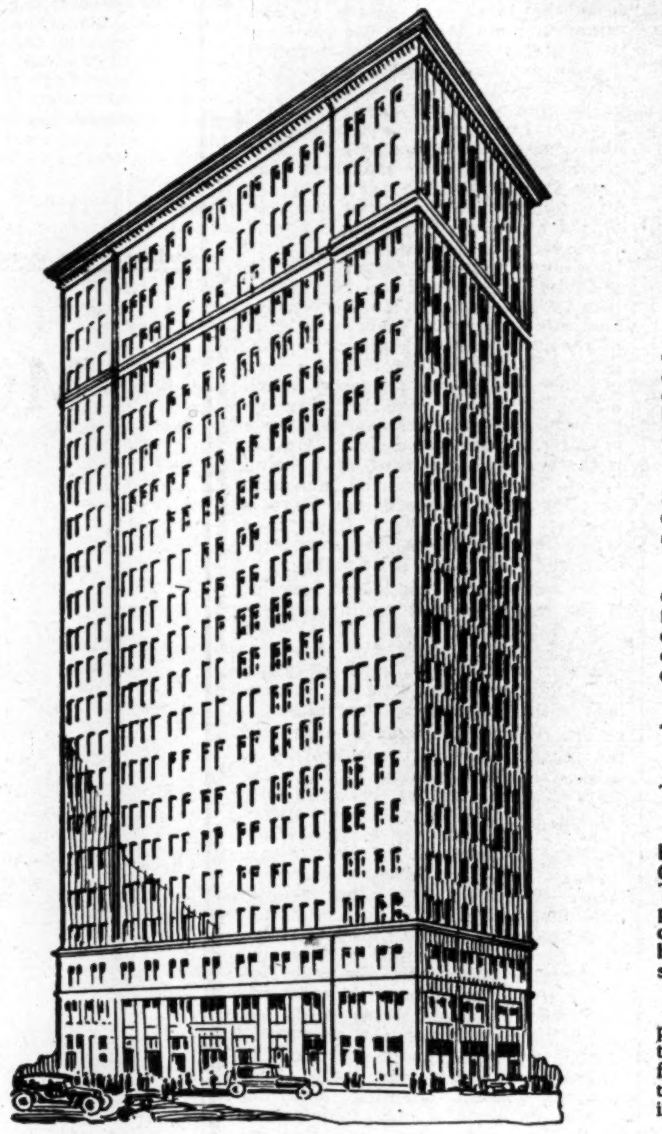
First mortgage bond issue is closed at an amount of 65% of the value of land and building as fixed by independent appraisers.

Completion according to specification has been guaranteed by the owner, the Hon. N. Curry, and by Thompson-Starrett & Co., the builders.

Write for Circular 4 which will be sent on request.

Greenshields & Co
Montreal: 17 St. John Street
also Mount Royal Hotel Building
TORONTO 14 King Street East
OTTAWA 46 Elgin Street

$1,025,000
The METROPOLITAN BUILDING LIMITED
Southwest Corner of Adelaide and Victoria Streets
Toronto, Ontario
7% FIRST MORTGAGE REAL ESTATE SINKING FUND GOLD BONDS



THE Metropolitan Building—highest office building in the British Empire—will have a first mortgage bond issue of $1,025,000. This is secured by a closed first mortgage on the land at the southwest corner of Adelaide and Victoria streets and the 21 storey and basement fireproof office building of stone, steel and brick construction being erected thereon. The total rental area will be 129,600 square feet.

The real estate department of the National Trust Co., Limited, has valued the land at $300,000 and the Carswell Construction Co., Limited, has valued the building at $1,480,000—a total of $1,780,000. The First Mortgage bond issue is therefore only 57½% of these conservative valuations.

The National Trust Company real estate department's estimate of gross rental revenue is $300,000 per annum. Deductions for vacancies and for operation and maintenance charges, based on actual costs of a number of Toronto office buildings, show a net revenue earning the interest rate on the First Mortgage issue over 2.40 times.

The issue, which is in denominations of $1,000, $500 and $100, is dated July 15th, 1924, maturing July 15th, 1944, with coupons payable on the 15th of January and the 15th of July, at the Bank of Nova Scotia, Toronto and Montreal.

These bonds are callable on any interest date, in whole or in part on 30 days notice at 105 and interest, for the first five years and thereafter at a premium lower by ¼ of 1% for each year, but in no case at a lower price than 102 and interest. A sinking fund will be provided sufficient to redeem the entire issue by maturity.

The legal opinion is by Messrs. Long and Daly, Toronto.

Chartered Trust and Executor Company, Toronto, is Trustee.

The contract for the construction of the building has been awarded to the Canadian Branch of the George A. Fuller Co. of New York, the largest building contractors in America. There has been obtained a surety bond, guaranteeing the completion of the building in accordance with the terms of the construction contract, free from all liens or other encumbrances, except such as are subordinate to the first mortgage securing these bonds.

Insurance will be carried, payable to the trustee for the protection of the bondholders. The trust deed provides that an amount sufficient to cover total interest and sinking fund charges on the first mortgage bonds and insurance and taxes on the property, must be paid to the trustee in monthly installments during the entire life of the bonds.

We recommend these bonds for conservative investment.

PRICE 100 and Accrued Interest YIELDING 7%

Orders may be telegraphed or telephoned to us at our expense, and bonds will be delivered to purchasers free of all delivery charges.

McLEOD, YOUNG, WEIR & CO. LIMITED
HOUSSER, WOOD & COMPANY LIMITED
BANKERS BOND COMPANY LIMITED
MURRAY & COMPANY
STEWART SCULLY COMPANY LIMITED

The statements contained in this advertisement are not guaranteed, but are based on information which we believe to be reliable and on which we acted in purchasing these securities.